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**WORLD NEWS**

### Education system 'may need change'

The Government might be forced to make radical changes to the education system if the problems facing Britain's schools are not solved, Education Minister Chris Patten told the annual conference of the Assistant Masters and Mistresses Association in Cardiff.

He made clear his preference was for maintaining the "partnership" between government, education authorities, parents and teachers' unions. **Back Page**

### Italian wines warning

West German health officials advised against drinking all Italian wines as Italy's poisoned wine scandal deepened. In Switzerland authorities seized 40,000 litres of Italian wine in the southern canton of Ticino. Exports hit. **Page 2**

### TWA denies claims

The US airline TWA defended itself against claims of poor security on Wednesday's flight from Rome to Cairo during which four people died in an explosion. **Page 2**

### Murdoch in union offer

Rupert Murdoch, chairman of News International, offered the company's Grays Inn Road plant to print workers sacked in the Wapping dispute for a new Labour movement newspaper. **Back Page**

### Stalin girl bound for UK

The Home Office granted a visa to Olga, Peters, the 14-year-old granddaughter of Josef Stalin. She is expected to return to the Quaker School in Saffron Walden, Essex, where she spent 18 months before being taken to the Soviet Union in 1954 by her mother Svetlana Alliluyeva.

### More attacks on RUC

Ulster police reported a further 11 attacks on officers' homes as part of a campaign of intimidation by loyalists against the RUC. **Page 8**

### Compensation by rapist

Paul Richards, a 22-year-old electrician, jailed for seven years after admitting a rape and burglary, offered £1,500 at the Old Bailey as compensation. The raped woman will receive £700.

### Zambian reshuffle

Zambia's President Kaunda removed his Finance Minister, Luke Mwanamashiku, in a Cabinet reshuffle and made changes in other economic portfolios. **Page 4**

### Shake-up for W.Berlin

West Berlin's Christian Democrat mayor, Eberhard Diepgen, said he would reshuffle the city government which has been at the centre of a corruption scandal. **Page 4**

### Buhari 'to be freed'

Nigeria's ex-leader General Mohammed Buhari, who is held in detention, will not be put on trial and will be released, General Domkat Ball, Defence Minister, told Lagos newspapers.

### D'Oyly Carte legacy

Dame Bridget D'Oyly Carte, who died aged 77 in May 1985, left her shares in London's Savoy Hotel — built by her grandfather — to the D'Oyly Carte Charitable Trust. Her estate was valued at £5.44m net.

### Jockey's joyride

Steve Smith-Eccles, who rides Classified in today's Grand National at Aintree, went to sleep in the back of his Mercedes in Southampton and woke up on the M57 to find himself being taken for a joyride by a youth. The driver stopped the car and ran off.

**BUSINESS SUMMARY**

### Hillsdown bids for Berisford

**HILLSDOWN HOLDINGS**, food processing group, launched a £486m takeover bid for S & W Berisford, the sugar refining and commodity trading group.

Berisford said it was considering the terms of the offer in the light of discussions with other interested parties, including Tate & Lyle, the other main British sugar refiner. **Back Page; Analysis, Page 12**

### LONDON EQUITIES

LONDON EQUITIES remained in the grip of bid fever. A buying spree for most banking issues was spurred by the announcement of the Lloyds approach to Standard and Chartered. The FT Ordinary Share Index closed 5 down on the day at 1420.9 and nearly 31 higher over the four-day period. **Page 16**

### TOKYO STOCKS

TOKYO STOCKS plunged for the fourth day with the Nikkei market average dropping 262.43 to 15,019.31. **Page 14**

### JAPAN and the UK

JAPAN and the UK reached a partial settlement of their long-running dispute over reciprocal banking and securities licences. **Back Page, report and Lex.**

### NATIONAL AUDIT Office

NATIONAL AUDIT Office reports suggest that less than half the savings in the running of Government departments proposed by the efficiency unit headed by Lord Rayer up till 1983 are being implemented. **Page 8**

### MOBIL US oil company

MOBIL US oil company plans to create a \$400m (£150m) foundation to fund improvements in black education in South Africa, rural development and assist small businesses, instead of bowing to disinvestment pressure. **Page 4**

### CONTINENTAL ILLINOIS

CONTINENTAL ILLINOIS shareholders are to receive \$20m (£13.31m) from Mr Roger Anderson, former chief executive, and eight of his colleagues in an agreement of a lawsuit over their management of the Chicago bank. **Back Page**

### SINGAPORE

SINGAPORE released details of a bill going through parliament to combat copyright fraud. **Page 2**

### OLYMPIA & YORK

OLYMPIA & YORK, Canadian property and resources group, increased its offer for the Hiram Walker Resources energy and liquor group to C\$35 per share for all the 76.1m shares. The bid, worth C\$2.66bn (£1.42bn), is conditional on a rival C\$40 a share offer for 50m shares being dropped.

### PUMA

PUMA, West Germany's second largest sports shoemaker and a growing competitor in the international sports and leisure wear market, plans to issue shares on the Frankfurt Stock Exchange. **Page 13**

### DEMERGER

DEMERGER, company created to bid £173m for the Extel information and publishing group, revised the terms to make them more attractive to shareholders. **Page 12**

### SEARS HOLDINGS

SEARS HOLDINGS, retail group, is selling its 20 per cent stake in Central Independent Television for £13m. **Page 12**

### UNITED NEWSPAPERS

UNITED NEWSPAPERS, publisher of the Daily and Sunday Express and the Star, has sold its remaining B shares in Reuters, the news information group, for £76m. **Page 12**

## EMS realignment talks will focus on franc devaluation

BY OUR FOREIGN STAFF

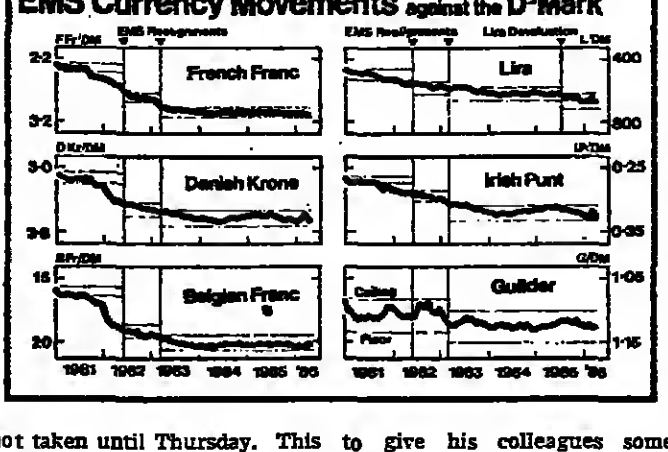
EEC finance ministers today began negotiating a broad realignment of currencies within the European Monetary System on the initiative of the new French Government led by Mr Jacques Chirac.

Expectations in Paris last night were that the negotiations in the village of Ootmarsum in the north Netherlands could be difficult and may last well into tomorrow. The main focus will be on deciding the extent of the French franc's devaluation against the D-mark but this will inevitably force adjustments in other currencies—notably the Belgian franc, the Dutch guilder, the Irish punt and the Italian lira.

Speculation among bankers and currency dealers yesterday suggested a French franc devaluation against the D-mark of 6 to 8 per cent.

As sterling is not a full member of the exchange rate mechanism, Mr Nigel Lawson, the Chancellor, is expected to take a back seat at the negotiations. There were no indications last night that the government was abandoning its long-standing reluctance to make the pound a full member of the EMS.

Although the centre-right parties now in government in France had held out the prospect of a devaluation during the recent election campaign, the final decision was apparently



not taken until Thursday. This was first signalled by the Bank of France halting intervention in support of the franc late on Thursday afternoon.

The move, acknowledged in Paris as "brutal," was dictated by the French Government and not the Bank's governor, Mr Michael Camdessus. It was partly in response to pressure on the franc this week.

This was followed up by telephone calls requesting a realignment this weekend made on Thursday evening by Mr Edouard Balladur, the French finance minister, to his counterparts in EMS capitals.

Mr Balladur will be expected to give his colleagues some taste of the policy measures—due to be outlined by Mr Chirac next week—which will follow the devaluation. But it is thought he will not have any details to offer.

Until yesterday, the new minister had seemed doubtful about the timeliness of the move, reflecting broader divisions within the new Government on the issue, but he will stress this weekend its importance as part of the EMS realignment.

Continued on Back Page

## Currency dealings halted

BY GEORGE GRAHAM

FOREIGN EXCHANGE markets were thrown into confusion yesterday as central banks around Europe suspended their official currency dealings.

France's central bank had abandoned the French franc to its fate the previous evening as it fell to its permitted limit in New York. Yesterday the currency slid further in anticipation of its devaluation within the exchange rate mechanism of the European Monetary System.

But dealers were left in uncertainty by the suspension of official intervention in support of the exchange rate mechanism. Trading was even thinner than normally expected on a Friday, and the spread between buying and selling prices widened sharply, revealing uncertainty over what levels currencies would settle at.

large positions in French francs and West German marks in the spot market yesterday morning before exchange rates had moved to their full extent. By noon, however, it was already too late to place significant bets on the extent of the likely realignment.

In general, the foreign exchange markets had too little idea of where exchange rates should be to take advantage of their unusual opportunity to move currencies without intervention from the central banks.

In unofficial dealings in Frankfurt, the franc was quoted at around DM31.60 for FF7.00 compared with Thursday's closing rate of 32.50—a de facto devaluation of around 5 per cent. Banks meanwhile were changing francs for tourists more than 4 per cent cheaper than on Thursday.

Sterling remained largely unaffected by the market's turmoil, ending only 0.1 lower on the Bank of England's index at 76.4. After losing 1 cent against the dollar to close at £1.446, and 1.75 pence against the D-mark to reach DM3.46, its performance in the index was against the French franc.

The dollar ended the day in London with a slight gain against the German currency, closing at DM2.389. It also gained against the Japanese yen,

moving up by 1 yen to ¥180.15. London's stock markets took more notice of takeover bids than of the prospective EMS realignment. The FT Ordinary share index lost 5 points down on the day to end at 1420.9—still a gain of nearly 31 points in a short trading week. The broader FT-SE 100 index settled 7.9 lower at 1708.7.

Gilt-edged Government bonds, however, lost up to 1½ points before recovering a little ground, although index-linked gilts rose by up to 1½.

Alexander Nix writes: News of the EMS meeting spurred sharp rises in French franc bond prices, on the expectation that a devaluation would leave the way clear for falls in French interest rates. On the Paris financial futures market, trading was suspended when prices rose above the daily limit.

Italian bond markets also strengthened. In West Germany they weakened, though dealers said this was more of a reaction to bond price falls on Wall Street than to the EMS news.

Trading was virtually halted, however, in bonds denominated in European currency units, the basket of European currencies which has been playing a growing role in capital markets. Dealers said the precise implications of a realignment for Ecu interest rates were uncertain.

will have to wait for a review. This is unlikely to take effect before the autumn.

The CEEB says it could cut its coal consumption by at least 42m tonnes a year, approaching half its annual requirement, if it were allowed to burn cheap oil instead.

The cheapest tranche of coal sold by the NCB to the generating board costs £36 a tonne, well above the spot price on international markets and some 15 to 20 per cent above the price which would make it competitive with oil.

Mr Peter Walker, the Energy Secretary, has told the CEEB it must not start up its oil-fired stations until it has finished negotiations with the coal board. However, the NCB has told the Treasury that it would need an extra subsidy of about £700m a year if it were to comply with the CEEB's demands.

Oil price surge as shutdown looms. **Page 2**

## Gas and electricity price war looms

BY MAX WILKINSON, REOURCES EDITOR

THE ELECTRICITY industry is planning a renewed tariff battle with British Gas following the corporation's decision to hold domestic price increases to less than 1.8 per cent.

The competition may result in electricity consumers receiving a rebate to offset the recently announced 5 per cent price increase.

Senior electricity industry officials have told the Government they will soon start up the big oil-fired power stations to cut costs unless the National Coal Board reduces its prices substantially.

The gas industry's main argument for restraining its price increases is the need to remain competitive with oil. At the same time, the cost of North Sea gas supplies has been falling as a result of the oil price collapse.

However, the Central Electricity Generating Board has

been asked by the Government to keep its oil-fired power stations idle for the time being, even though they would be much cheaper to run than the least efficient of the coal-fired stations.

With oil prices at about \$10 a barrel, the electricity industry could save the equivalent of about £500m a year by burning oil instead of coal. If oil prices remain depressed, the saving could be the equivalent of up to 5 per cent on electricity bills.

Yesterday the Electricity Council, which oversees electricity supplies, said it was not sure how long fuel prices would remain depressed, but added: "We are quite determined that our customers should see the benefit."

The council intends to pass lower costs on to industrial consumers as soon as possible through fuel adjustment clauses in their bills. Domestic consumers, hilled quarterly,

## Lloyds in talks to buy Standard Chartered bank

BY DAVID LASCELLES, BANKING CORRESPONDENT

LLOYDS BANK, the smallest of the UK's big four clearing banks, could become the largest if it goes ahead with a £1.17bn offer to buy Standard Chartered, the London-based international bank.

The proposed offer, announced by Sir Jeremy Morse, Lloyds chairman, followed a week of intense speculation about Standard's future which had driven its share price to record levels.

Standard reacted sharply, calling the proposal unwelcome. This provoked City expectations of an improved offer or counterbid, which drove Standard's share price even higher. It closed last night at 803p, an increase of 163p on the day, though slightly down from an early afternoon peak of 830p. This compares with the

60 foreign countries in Asia, Africa, the Far East and the US.

The approach came as a surprise to the banking industry which expected a foreign buyer for Standard Chartered. There is also considerable irony in the fact that the bidder is a UK bank since Standard tried to buy the Royal Bank of Scotland four years ago.

Mr Brian Pitman, Lloyds chief executive, said Lloyds wanted to broaden its overseas presence and reduce its dependence on the UK market which accounts for 80 per cent of its profits. The geographical distribution of Standard's branches fitted in well with those of Lloyds, which are concentrated in Europe and Latin America.

There was little overlap, Mr Pitman said, but the merger

### HOW UK BANKS RANK

Bank	Pre-tax profits £m	Assets £bn	Shareholders funds £bn
Barclays Bank	854	65.2	3.3
Lloyds/Standard Chartered	829	72.6	3.5
National Westminster	804	72.5	2.9
Lloyds	561	43.8	2.3
Midland Bank	351	58.1	1.8
Standard Chartered	268	28.8	1.2

Source: 1985 annual reports

730p suggested by Lloyds as a basis for negotiation.

Sir Jeremy contacted Lord Barber, the former Conservative Chancellor, as Standard's chairman, asking for discussions because the intensity of speculation had prevented Lloyds from putting together an agreed offer. There will be further talks between the two banks, but Lloyds indicated last night that it wanted an amicable deal and was not prepared to engage in a contest.

Much of the City speculation that an improved offer must be forthcoming was because Lloyds is offering less than Standard's net asset value, put by analysts at about 785p a share. Most bank deals are priced at a premium-over net value. One analyst described the Lloyds proposal as "only a sighting shot."

Lloyds shares fell on the news, closing at 612p, down 22p. All other leading bank stocks

would mean some duplicated operations would have to be rationalised and some branches combined.

If the deal goes through, it would make Lloyds much the most internationally oriented of the UK clearing banks, particularly as Midland Bank is planning to sell off Crocker National Bank, its US subsidiary. Mr Pitman said that while the UK market was more profitable than most, it was important for banks to expand their range and diversify into new markets.

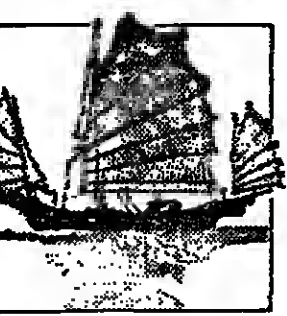
The deal, which is being handled by Lloyds's newly created merchant bank, would be financed with a combination of cash and an issue of convertible preference shares. After a series of disposals of low performing operations and the recent sale of its California subsidiary for \$263m (£180m) Lloyds has about \$450m in ready cash.

According to Mr Pitman, the combination of the two banks would not have any great impact on Lloyds's capital ratios, its key measures of balance-sheet strength. Its primary capital ratio, the measure used by the Bank of England to calculate how far a bank is leveraging up its capital, would remain unchanged at 8 per cent.

Black horse set to leap onto world arena. **Page 6**

Lex and Nomura banking licence. **Back Page**

## WEEKEND FT



### BIG SPENDER

On Monday, the world's most expensive building opens in Hong Kong. How did it come to cost so much? **PAGE I**



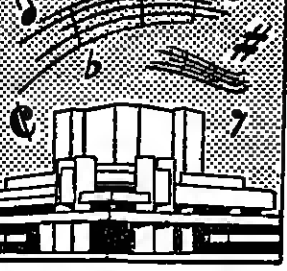
### INSURANCE

At last, an insurance company has offered financial incentives instead of words to make homes more secure against thieves. **PAGE V**



### HAIR TODAY

There's a new look in hairstyles abroad this spring and fringes are very much a part of it. **PAGE XIII**



### IN CONCERT

London's new South Bank Board has now taken over the capital's main concert halls — and revealed its plans. **PAGE XV**

**MARKETS**

**DOLLAR**  
New York lunchtime: DM 2.38778, FF 7.55778, SF 1.991, Y180.3  
London: DM 2.389 (2.388), FF 7.5725 (7.395), SF 1.994 (1.996), Y180.15 (179.65)  
Dollar index 121.5 (120.8)  
Tokyo close Y180.10

**US LUNCHEXTIME RATES**  
Fed Funds 7¼%  
3-month Treasury Bill: yield 6.41%  
Long Bond: yield 7.25%

**GOLD**  
New York: Comex June \$338.5  
London: \$338.25 (\$333.25)  
Gold prices changes yesterday. **Back Page**

**STERLING**  
New York lunchtime \$1.451, London: \$1.448 (1.458), DM 3.46 (3.4773), FF 10.965 (10.7235), SF 2.8775 (2.91), Y280.75 (262.0), Sterling index 76.4 (76.5)

**LONDON MONEY**  
3-month interbank: closing rate 11¼% (11¼)  
NORTH SEA OIL  
Brent 15-day April \$12.25 (\$12.0)

**STOCK INDICES**  
FT Ord 1,420.9 (-5.0)  
FT-A All Share 832.26  
FT-SE 100 1,709.7 (-7.9)  
FT-A long gilt yield index: High coupon 9.10 (9.01)  
New York lunchtime: DJ Ind Av 1,761.01 (-2.89)  
Tokyo: Nikkei 15,019.31 (-252.43)

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# OVERSEAS NEWS

## CONCERN MOUNTS OVER OIL PRICE FALL

### US hopes on economy suffer jobs setback

BY STEWART FLEMING IN WASHINGTON

US HOPES for strong economic growth in the first quarter suffered another blow yesterday when the Government reported only a slight decline in unemployment in March and job losses in the manufacturing and energy sectors.

The Labour Department said civilian unemployment fell 0.1 percentage points to 7.2 per cent in March after rising sharply in February. Although non-farm business employment rose moderately — by 192,000, according to the payroll survey

— the Department said 42,000 jobs were lost in the manufacturing sector and 30,000 in the oil, gas and mining industries.

Evidence of weakness in the oil sector comes amid mounting concern about the impact of the decline in oil prices on states such as Texas and Oklahoma, where the combination of economic problems in the energy, agriculture and property sectors have already prompted worries about the stability of some financial institutions.

Bank regulators in Washington are reportedly preparing emergency legislation to extend expiring laws which permit inter-state takeovers of banks in financial difficulty.

The Reagan Administration appears divided about how it should respond to the changes in domestic and international economic conditions brought about by the oil price fall.

Officials believe that in the medium term the fall in oil prices will help the economy. The Administration seems

divided about whether initiatives are needed to offset some of the adverse short-term effects, particularly on US energy producers. There are also signs of unease about the potential impact of falling oil prices on the dollar.

In an abrupt change of tone top Administration officials have in the past few days been backing away from their earlier insistence, expressed most notably in February by Mr James Baker, US Treasury Secretary, that a further decline in the

dollar would not be unwelcome. In spite of the strengthening of the dollar in the past few weeks officials are saying that they are not unhappy with where the dollar stands.

Behind the shift appear to be fears that major oil producing states could begin to sell dollars from their reserves to offset lost income from the declining value of exports and that demand for dollars will decline because oil importing nations will need fewer dollars to pay for imports.

## Oil prices surge as shutdown looms

By Dominic Lawson

OIL PRICES on both sides of the Atlantic rose sharply yesterday as the prospect of a shutdown of Norway's 1m h/d offshore oilfields grew.

April cargoes of Brent, the UK crude which competes in the market with Norwegian oil, were quoted as high as \$12.10, compared with the previous day's range of under \$11 a barrel, and Murday's record plunge below \$10 a barrel.

If the Norwegian offshore caterers union does not back down in final talks today to avert a strike, then Norwegian officials are certain that other offshore employees will down tools.

"There is more than a 50/50 chance that our oil production will be brought to a halt," a government official warned yesterday.

## TWA denies security failure over terrorist bombing

BY PAUL TAYLOR IN NEW YORK

TWA, the US airline at the centre of a growing controversy over the Flight 840 terrorist bombing tragedy, yesterday defended itself against allegations of lax security. The New York-based airline said that a "full and comprehensive" internal review had revealed that all company and government standards and that at no point was there a lapse in the implementation of those procedures.

But it admitted that the chief suspect in the bombing, identified by Italian authorities as an Arab woman travelling under the name May Ellis Mansour, arrived late for Flight 841 from Cairo to Athens and was driven across the tarmac to board the waiting jet by a TWA passenger agent — "as with any other late passenger."

TWA said no breaches in security by either airline or airport authority personnel had been found. In spite of her late arrival, the suspect was "subjected to the most rigorous of security checks at Cairo."

The airline issued its statement in response to growing concern about how a known terrorist managed to board the aircraft and apparently either carried the bomb on board or activated it.

According to government officials in Rome, Athens and Cairo, Mrs Mansour, wanted by Italian authorities in connection with an attempt to plant a bomb on an aircraft in 1983,

left Flight 841 in Athens to wait for another flight to Beirut, the Lebanese capital.

Her aircraft to Beirut was taking off at the same time as the bomb exploded on the TWA jet. Flight 840, returning from Rome to Athens.

The TWA statement appears an attempt to clear the airline and airport authorities in all three countries of any breach in security procedure, but it leaves upon a number of crucial unanswered questions.

These include: whether tougher security procedures could have avoided the tragedy; why the bomb was not discovered when the aircraft was cleaned and searched at Rome before returning to Athens; and how it was possible for the suspect to activate the bomb unnoticed.

In the wake of the incident, TWA's management has faced criticism from its striking flight attendants who have alleged that the TWA flight was staffed by inexperienced non-union cabin staff hired during the strike. Mr Carl Ichan, TWA's chairman, has described that charge as "irresponsible and untrue."

Nora Boustany reports from Beirut: Airport and security officials yesterday confirmed that Mrs Mansour arrived in Lebanon on Wednesday aboard a Middle East Airlines flight from Athens. They had no information on her whereabouts. Security officials said they were

## Singapore clampdown on fraud

Copyright pirates in Singapore will face maximum fines of \$100,000 (£10,000) and five years in jail, according to a copyright Bill introduced in Parliament last month, Reuter reports.

Details of the Bill were released yesterday. Under its provisions, anyone found guilty of pirating records, cassette tapes, video tapes, books or computer programs will be fined up to \$10,000 per copy, or \$100,000 whichever is less. Singapore is regarded as a haven for copyright pirates and shoppers can buy fake cassette tapes for less than a fifth of the price of originals.

Under the Bill, anyone who distributes fake items could be fined up to \$50,000, face three years in jail, or both.

Making a fake sound or video tape or advertising to supply a copy of unauthorised computer programs will carry a maximum \$20,000 dollar fine.

The Bill also proposes that a copyright tribunal be set up to settle disputes over performing and broadcasting rights.

## French terminal for ferry company

SALLY LINE, the Finnish-owned cross-Channel ferry company, is to have a FF760m (£5.7m) luxury terminal built for its passenger services in France by the port of Dunkirk.

The terminal should be completed by spring next year and is being paid for by Port Autonome de Dunkirk, the French end of the Sally services.

## Dublin increases incentives for business

BY HUGH CARNEY IN DUBLIN

A PACKAGE of generous tax incentives to stimulate business and employment were announced yesterday by Mr John Bruton, the Irish Finance Minister, when he published his Finance Bill giving effect to January's budget.

buoyed by the benefits already accruing to Ireland from the fall in oil prices, Mr Bruton said the country was on the point of a breakthrough in employment. Unemployment, currently at 18 per cent of the workforce, should stabilise next year, he said.

To help this, he wanted to shift investment away from non-productive savings to risk-oriented business ventures, he said.

He cut taxation on dividend income from manufacturing companies and reduced from 40 per cent to 30 per cent capital gains tax on assets other than development land held for a minimum of six years.

He set a capital gains tax rate of 30 per cent on gains made on shares traded on the newly-established smaller companies market on the Irish stock exchange.

Tax relief on equity investment in manufacturing was extended to 1981. The qualifying period for full tax relief in profit-sharing schemes was cut to five years from seven, with stamp duty on such shares removed for the first time.

To compensate top executives for Ireland's draconian tax regime, Mr Bruton announced heavy tax relief on stock options, including the provision for capital gains tax to be payable only on the difference between the market price on the date of acquisition of shares

and proceeds received on sale of the shares.

There were also tax incentives for companies involved in research and development.

In addition, Mr Bruton said a levy on investment income of life assurance companies was being reduced to 9 per cent from 15 per cent this year and would be replaced next year by a new corporation tax measure. He exempted charities from a new 35 per cent deposit interest retention tax announced in the budget and said old and incapacitated people would be eligible for rebates.

## World Bank approves loan to Argentina

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE WORLD BANK yesterday approved a \$350m (£240m) loan for Argentina to help reform its agricultural sector and boost foreign exchange earnings by as much as \$1bn (£685m) by 1989.

The loan is the first in a series of sectoral adjustment loans expected to be agreed with Argentina under the new style lending the World Bank has adopted in keeping with the so-called Baker plan for easing the developing country debt crisis.

Significantly, it has been approved on the eve of the International Monetary Fund's Interim Committee meeting in Washington at which progress in implementing the Baker plan is likely to be a main topic.

Bankers estimate that Argentina, whose balance of payments has been suffering from the fall in world grain prices, might need to raise new foreign loans this year for a total of some \$3bn.

It has been regarded as a potential test case for lending under the Baker plan, which calls for debtors to adopt more growth-orientated economic adjustment policies in return for loans from commercial banks and official institutions such as the World Bank and Inter-American Development Bank.

However, concrete results of the Baker plan have been slow to emerge since it was launched by the US Treasury Secretary in Seoul last October.

## Unstable dollar 'a threat to textile producers'

BY ANTHONY MORETON IN GENEVA

EUROPEAN textile producers warned yesterday that if the Multifibre Arrangement (MFA), the world accord that regulates the growth of trade in textiles and clothing, is to be continued after it expires in July then the US dollar will have to be stable.

Mr Harry Leach, president of Comitextil, the Brussels-based organisation that co-ordinates textile producers within the European Community, said in Geneva that, following the fall of the dollar since December, imports into Europe from low cost producers had increased by just over 10 per cent in volume. Knitted clothes had risen by almost a third and fabrics by 16 per cent.

Exports from Europe had fallen by almost 2 per cent.

Most low cost Third World producers price their products in US dollars.

Mr Leach said production had increased marginally but clothing output had fallen by more than 4 per cent since the end of last year.

If the weakness of the dollar continued, he said, Comitextil would have to seek changes in the MFA.

Delegates from 60 countries are discussing the terms of an extension to the arrangement within the Geneva-based General Agreement on Tariffs and Trade (GATT).

Mr Leach said European producers had to be able to take protective action if there were a sudden surge of imports.

## Greek unions meet

GREECE'S trade union congress (GSEE), launched its 23rd national conference yesterday under the shadow of a boycott by militant left and right-wing trade unions opposed to the Socialist Government's economic austerity programme, writes Andriana Ierodiakonou in Athens.

The programme, which includes a two-year wage freeze, sharply divided Greece's labour movement and created internal rifts in the Socialist trade union ranks when it was announced last October. The conference was called by loyalists in a bid to consolidate their hold on the congress.

## Gorbachev firm

MR MIKHAIL GORBACHEV, the Soviet leader, yesterday reaffirmed to visiting US Congressmen that he is looking forward to a summit with President Reagan in the US as agreed at Geneva last year, writes Patrick Cockburn in Moscow.

The Soviet leader adopted a conciliatory attitude during a long meeting with Mr Dante Pascell, chairman of the Foreign Affairs Committee of the House of Representatives, and Mr William Bromfield, also a member of the committee.

## Berri re-elected Amal leader

The Shi'ite Amal Movement yesterday re-elected Nabih Berri as president, thus consolidating his hold over the 12-year-old organisation which has served as the Shi'ite Moslem community's main vehicle for political power.

The sound of machine-gun fire and rocket-propelled grenades resounded in the Moslem half of Beirut to celebrate the victory of the 48-year-old leader.

Mr Berri is also a member of Lebanon's national unity cabinet. His main rival for the leadership of Amal, Mr Hassan Hashem, stayed away

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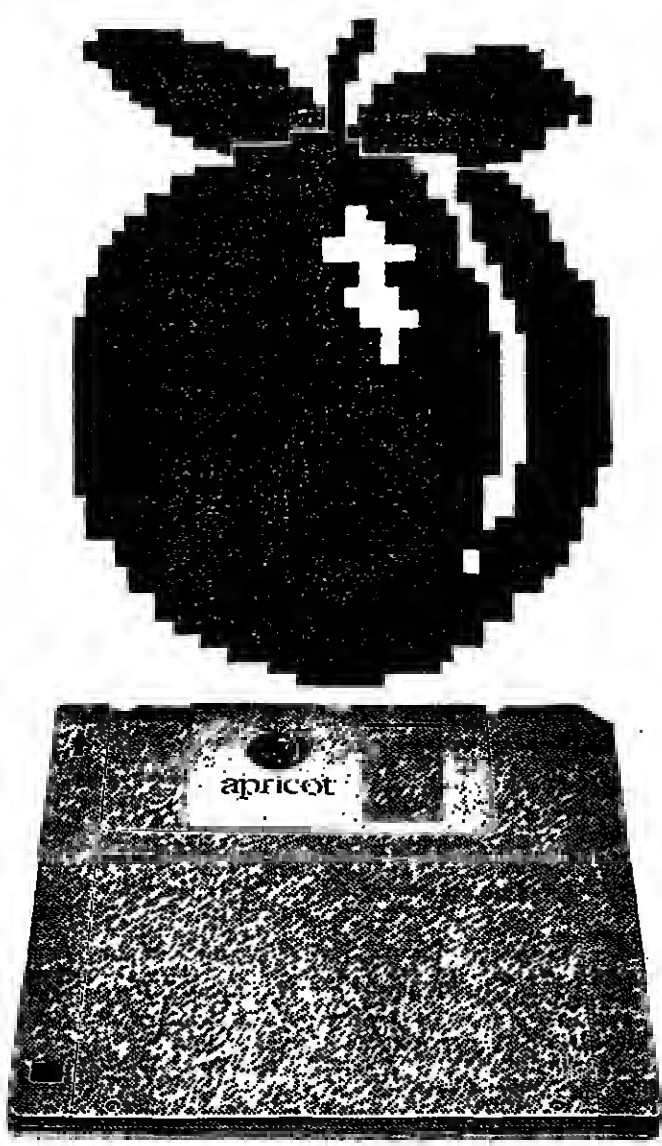
Wednesday May 21 1986

The Financial Times proposes to publish a survey on the above. For further information, please contact: Paul Jeffers on 021-454-0922

Telex: 336590

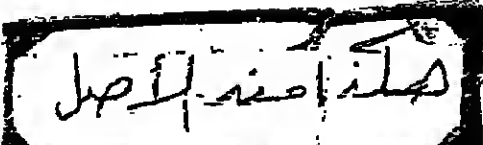
FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

# June 29th 1983



ACTUAL SIZE 3 1/2"

# Apricot introduced the first personal computer to use 3 1/2" disks





Handwritten note in Arabic script: "تحت المراقبة"

Financial Times writers assess the impact of this weekend's changes in the European Monetary System

# EMS realignment signals French policy shift

BY DAVID HOUSEGO IN PARIS

FRENCH conservative leaders such as Mr Alain Juppé, now the Minister for the Budget, have long been saying that the franc was overvalued and that a right-wing government would have to seek a devaluation after the elections.

But as the weekends have ticked by since polling day on March 16 without an EMS readjustment, so also has it seemed to have the right possibilities of carrying through a devaluation by blaming it on "the mismanagement" of the Socialists.

It had also begun to appear that Mr Edouard Balladur, the new Finance Minister — and by temperament hostile to a slippage in the currency — was locking himself into the kind of restrictive, disinflationary policies needed to maintain the franc at its former parity.

Worries on this score were even this week causing the more free-market advocates among the new right-wing majority in the National Assembly — including, in private, former President Giscard d'Estaing — to express fears that Mr Jacques Chirac's administration would backtrack

Country	%
France	1.8
US	2.5
Japan	4.2
West Germany	8.8
Britain	9.8
Italy	2.2

on the conservative's election pledges.

But the immediate effect of the realignment over the weekend will be to give the new government much more leeway in its plans to liberalise the economy without fear of provoking a fresh currency crisis.

Apart from a substantial lifting of foreign exchange controls which could come as part of the weekend realignment package, the bulk of the accompanying measures are likely to be announced early next week when Mr Jacques Chirac makes his first statement of policy, before the National Assembly.

The measures should include the almost complete removal of price controls, the lowering of interest rates, some cuts in taxation for companies, the easing of redundancy procedures

and possibly a tax amnesty to encourage the return of flight capital.

The overall aim of these moves will be to strengthen the competitiveness of French industry by encouraging investment, while at the same time giving a stimulus to economic activity so as to create more jobs.

In other words Mr Chirac looks like opting for a higher risk, higher growth economic strategy than the Socialists have been operating over the past two years.

The French Bourse yesterday responded with glee and the index of share prices rose by 2.6 per cent.

The weekend's readjustment comes at a time when there is no irreducible market pressure for a devaluation of the franc. France's inflation rate has only risen by 0.6 per cent over the past six months—the same as West Germany—or at annual rate of 1.2 per cent.

At the same time the fall in the dollar and in oil prices means that a small current account surplus in 1985 would, without a devaluation, have been transformed into a significant surplus this year.

The French Treasury—which has been against a devaluation—has argued that this was not the moment to throw away an historic opportunity of bringing French inflation down to 1.5 per cent to 2 per cent by the end of the year.

But apart from the political reasons, two arguments have been paramount in carrying the case for a realignment. The first is that the need over recent months to forestall an attack against the franc in advance of the elections has meant that real interest rates in France have been at an historic high, despite the progress on reducing inflation.

Thus the Bank of France's intervention rate—the leading money market rate—currently stands at 8 1/2 per cent. One consequence of this is that short-term interest rates in France are now knocking against long-term rates which on 10-15 year bonds is between 8 per cent and 8 1/2 per cent.

At the same time borrowing costs with nominal rates for housing loans of 10.5 per cent to 14 per cent and for medium-sized companies of 13 to 17 per cent, have become prohibitive for many.



The other major argument is that the overvalued franc has been one of the factors damaging French industrial competitiveness and France's market share in the world trade in manufactured goods.

Since the last realignment in March 1983, the cumulative difference in French and West German inflation has risen to 12 per cent—thus squeezing margins for French exporters to West Germany and particularly for the two French car manufacturers Peugeot and Renault.

The other major cause of the loss of French competitiveness—and one for which a devaluation will not provide immediate help—is that France has no longer the right product mix or the capacity to respond to a growth in world demand. To improve this the Government is looking to its package of measures designed to increase investment and reform industrial structures.

The decline in competitiveness over recent years has shown up in a number of key indicators. The French trade deficit, for instance, which improved to FFr 24bn in 1984 stood firm at this level last year, notwithstanding the first effects of a falling dollar and oil prices. Behind this lay a tailing off in France's surplus in industrial goods exports.

While French exports of manufactured goods in volume terms rose by only 1.8 per cent last year, those of Britain rose by 9.2 per cent and of West Germany by 8.8 per cent. France's deficit in trade manufactured goods with West Germany has increased from FFr 31bn in 1981 to FFr 44bn last year.

# Italian wine exports hit as fears over poison grow

BY JAMES BUXTON IN ROME AND PETER BRUCE IN BONN

CONCERN OVER the Italian wine industry has been spread through Europe yesterday with Denmark banning all imports and West German health authorities advising against drinking any Italian wines. The Swiss authorities seized 40,000 litres of Italian red at the border.

In Italy wine exporters protested that the controls on exports decreed by the government would halt the export of Italian wine for a considerable time.

Earlier this week a decree came into effect which requires all consignments of wine going abroad to be accompanied by a certificate stating that the methyl alcohol content of the wine does not exceed the legal level. Italian red wine is allowed to contain 0.5 per cent of this substance which occurs naturally in all wine.

In Bonn federal health authorities issued a sweeping warning to West German wine drinkers advising them to avoid drinking all Italian wines. The customs authorities have also been ordered to conduct tests on all Italian wines entering the country.

It was confirmed for the first time yesterday that some West Germans have been hospitalised after drinking Italian wines, which contain dangerous levels of methanol. So far, 15 Italians have died after drinking doctored wine. Methanol raises the alcohol content of the wines it is added to.

The Italian Wine Producers Federation said that while it recognised the difficulties facing its members over export certificates, Italian wine faced a state of emergency, and all producers would have to make sacrifices—even though 99.9 per cent of them have done nothing wrong.

"It is better that we should be seen to be making our own controls rather than have them imposed by importing countries," it said.

Italian wine exports in 1984-85 amounted to L1,500bn (£250m).

As more details of the wine scandal emerged, investigators are learning that at least some of the lethal wine barely deserves the description "wine at all". While some may consist of wine with a low natural alcohol content to which methanol was added to strengthen it, other wine appears to have been made out of a mixture of water, methanol and a small amount of wine used as a colourant and to give it a degree of flavour.

Some leading government spokesmen in Bonn have begun to call for a complete ban on sales of Italian wines.

The chief of the toxicology department at the Munich University clinic said yesterday that he was treating some people who had drunk Italian wines. There were, however, no serious cases, he said. The toxicology unit has been flooded with calls from worried wine drinkers, he said.

# Air Canada curbs smoking

BY BERNARD SIMON IN TORONTO

AIR CANADA is to ban smoking by all passengers on some of its busiest short-haul flights pending the outcome of a government study into the feasibility of a total ban on smoking in Canadian air space.

The state-owned airline said that half its 76 daily flights between Toronto, Ottawa and Montreal will be designated non-smoking for a three-month test period starting on April 27. The proportion of non-smoking passengers on its flights has risen from 50 per cent to 75 per cent in the past 15 years, it said.

Mr Don Mazankowski, Transport Minister, commissioned a comprehensive study last month into the effects of smoking on the health of passengers and crew, on aircraft safety, and on cleaning and maintenance costs. A policy paper is expected to be completed by the end of April.

Among the effects of smoking being examined are the contamination of recirculated air in aircraft cabins, tar nicotine deposits in air filtration systems, the smell of stale smoke impregnated into seat fabrics, and the health of passengers and crew.

# How system preserves currency stability

BY GEORGE GRAHAM

IN A PERIOD in which the world's currency markets have been more than usually volatile, the European Monetary System has been remarkably successful in maintaining stability for the eight currencies that take part in its exchange rate mechanism.

With the exception of the Italian lira, which was devalued last July, they have preserved the same relationships for more than three years with little difficulty. It was not always so. From its beginning in March 1979, the EMS exchange rate mechanism saw seven realignments in the next four years. Since then, however, member countries have seen not only increasing currency stability, but also a convergence of inflation rates towards West Germany's lower levels and deepening integration of trade within the EEC.

The realignment expected this weekend does not herald a return to instability. In earlier years it was most often the foreign exchange markets which

forced the pace by pushing one or more currencies beyond the limits set by the EMS.

The last week, however, has seen little of the speculative pressure that might have been expected, especially since the incoming French Government had effectively signalled its willingness to devalue the franc within the EMS.

French overnight interest rates have risen, but there has been no recurrence of the giddy 1,000 per cent rates that preceded earlier realignments.

The currency markets, left free of central bank intervention at France's request yesterday, were at a loss where to pitch European exchange rates. In effect, they handed back both the timing and the extent of the realignment to governments.

The exchange rate mechanism itself is only a part of the full European Monetary System, in which the UK and Greece take part, besides the eight full members. The system also set up a pool of foreign-exchange

reserves and gold in the European Monetary Co-operation Fund, as well as establishing the ecu, a currency unit made up of a basket of the other EEC currencies.

But it is the exchange rate mechanism which represents the greatest step towards monetary "co-operation" and which has scored the greatest success in helping financial stability.

It functions by setting central exchange rates for every currency against each other unit in the mechanism—the Luxembourg franc is in fact pegged to the Belgian franc. A currency may move up to 2.25 per cent either way from any of these central rates, although the lira is allowed to swing by up to 6 per cent. At these trigger points the central banks must intervene.

A secondary mechanism is the divergence indicator, which shows how far a currency has moved against the ecu. If a currency moves beyond a cer-

tain threshold, its central bank is expected, but not obliged, to take action.

In theory, the obligation to intervene affects both the strong currencies and the weak. If the Belgian franc is weak and the D-mark strong, then both countries would have to intervene either directly in the currency markets or by adjusting interest rates.

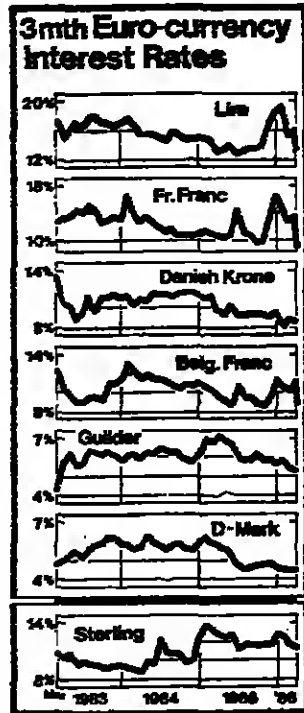
In practice, however, the onus tends to be on the weaker nation to alter its economic policies. This has usually meant that the exchange rate mechanism centres itself on the D-mark, because of the strength of the West German economy and its low inflation rate.

"The mechanism really consists of a German currency zone with some smaller countries like Holland and Belgium closely tied to it, plus France, whose relationship with the rest depends on French political interests," said Dr David Lomax, economic adviser at

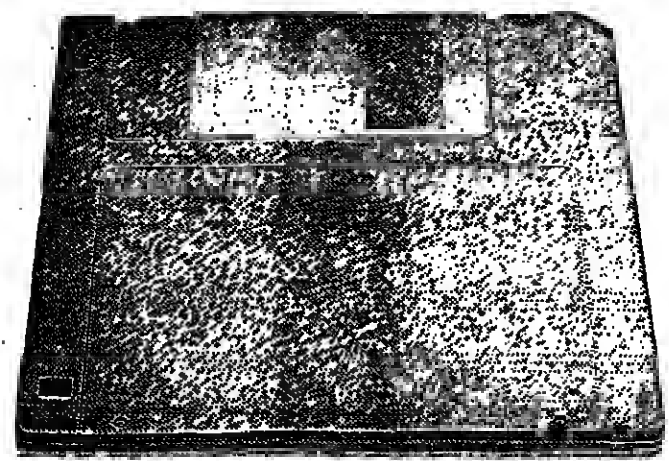
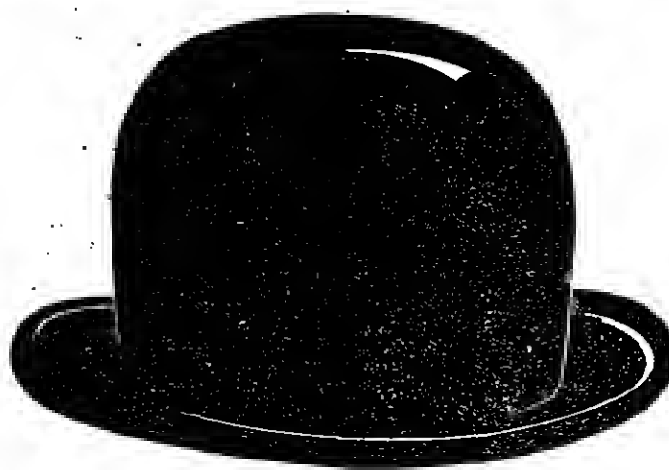
National Westminster Bank. There has been convergence between the economies of the ERM member states, at least since 1981. Helped by falling oil prices in recent months, there has been considerable success in bringing French and Italian inflation rates down.

Differences do emerge, however, and they have been compounded over the three years since the last full EMS realignment. German inflation since then has totalled only 6.1 per cent, while in France it has amounted to 12.9 per cent. French prices now stand nearly 13 per cent higher in relation to West German prices than they did in March 1983.

Productivity gains in France mean that the effect of this inflation differential on the competitiveness of French trade is less severe. The French Government has viewed the course of its bilateral trade with Germany with some equanimity. Nevertheless, the need for some depreciation of the French



# April 2nd 1986



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On April 2nd, International Business Machines Corporation announced a new computer using dual 720k 3 1/2" disks and 3 1/2" disk drive attachable to the new XT and AT personal computers.



OVERSEAS NEWS

US GROUP AIMS TO IMPROVE EDUCATION

Mobil to set up black S. African foundation

BY ANTHONY ROBINSON

MOBIL, the US oil company, is to set up an \$40m (£15m) foundation to finance improvements in black education, rural development and assistance to small businesses.

The move was announced yesterday in spite of a call by Bishop Desmond Tutu earlier this week for punitive sanctions.

Mr George Racine, chairman of Mobil South Africa, said that by creating the foundation, Mobil has shown that it intends

to stay in South Africa. "We believe there is only one way to answer the justifiable anger among blacks at the shortcomings in the education of their children — that is to improve teaching and the quality of education in one system."

"We hope the foundation will play a meaningful part."

Mobil, which has been active in South Africa for almost a century, employs 3,200 people, owns a refinery in Durban and

runs an extensive distribution network.

According to US State Department estimates, it represents the largest single US investment in the country but the company refuses to divulge the extent of its investment.

Meanwhile the home of Dr Sam Motsuenyane, one of South Africa's most prominent black businessmen, was destroyed in a petrol bomb attack early yesterday as violence continued

in several townships throughout the country.

Dr Motsuenyane's wife was one of several thousand black demonstrators arrested last month and squatter camp complex in the Winterveld township, north of Pretoria after police violently assaulted a large crowd protesting against living and other conditions, killing at least 11 people.

Tension remains high in the

area. Local community leaders have protested against the activities of vigilante squads who seek out political activists, destroy their homes and attack people.

Dr Motsuenyane is chairman of the black-owned African Bank and president of the black National African Federated Chambers of Commerce (Nafcoc).

He was in Belgium at a business conference at the time of the attack.

Philippine communists warn on truce call

THE outlawed Philippine Communist Party has warned its members to treat government calls for ceasefire talks with "extreme care and tact."

The party's clandestine newsletter, Ang Bayan (The Nation), which was in circulation yesterday, said the communists would agree to the talks only if the Aquino Government made significant political and economic changes.

The statements signalled that discussions on a ceasefire in the guerrilla war could be protracted and that a communist price for peace might be removal of Mr Juan Ponce Enrile, Defence Minister, and Mr Fidel Ramos, armed forces chief, who launched the revolt that toppled President Ferdinand Marcos.

Ang Bayan accused Mr Enrile and Mr Ramos of creating a military clique in the new government that could limit Corason Aquino's reforms and dominate her coalition. It said that while the government held liberal views, Mr Enrile, Mr Ramos and the military "remain reactionary if not fascist."

"While there is no sufficient basis at present for us to actually enter into an agreement for a ceasefire, we are not foreclosing the idea of entering into talks

Spain plans three TV channels to end state monopoly

BY DAVID WHITE IN MADRID

THREE PRIVATE television channels are foreseen in a long-awaited bill breaking Spain's state TV monopoly. The bill was approved in Cabinet yesterday.

However, the Government said it would wait before sending the bill to parliament in order to seek "as broad an agreement as possible" with the opposition.

Several Spanish press and radio groups have already expressed interest in setting up channels. Mr Silvio Berlusconi, the Italian television magnate, has established a foothold in Spain by buying up a film studio as a centre for TV productions. The concessions are to be open to Spanish or EEC capital without limits on participation.

The channels will be allocated by the Government under 10-year renewable contracts, and will be supervised by an equivalent of Britain's Independent Broadcasting Authority.

Spain has two nationwide channels, both state-run, and local channels backed by regional governments.

The outline of the reform was agreed by Mr Felipe Gonzalez, the Prime Minister, and Mr Manuel Fraga, leader of the right-wing opposition last October, but the details of the proposed bill were kept a close secret.

Mr Fraga's Popular Alliance Party, which has been running a strident campaign against the management of RTVE, the Spanish state television company, had complained about the delay in coming out with the bill.

The Government was believed to be hesitating between proposing two or three new channels. Mr Javier Solana, government spokesman, said it had opted for three "at least initially" after taking into account technical considerations, economic viability and the general public interest.

The return of RTVE's statute, which is the result of lengthy negotiations between the Socialists and the opposition, will end the monopoly over the transmission of TV signals. Private and regional government channels will have access to the state transmission network and may become minority shareholders in a company newly formed to operate it, under the proposed reform.

The new statute is also seen as increasing parliamentary control over RTVE.

Mr Solana said yesterday he hoped a consensus could be reached with the opposition in the next 10 days so as to speed up the bill's passage through Congress.

Finance minister removed in Zambian reshuffle

BY PATTI WALDMER IN LUSAKA

DR KENNETH KAUNDA, the Zambian President, yesterday announced a wide-ranging government reshuffle which included the removal of Finance Minister Luke Mwanambika, the chief architect of Zambia's recent agreement with the International Monetary Fund (IMF) on a \$500m (£—) economic reform programme).

Dr Kaunda also announced changes in all the top economic portfolios in government, including the posts of central bank governor and the influential position of special economic adviser to the president.

The news is likely to be greeted with some consternation in donor capitals where the economic team led by Mr Mwanambika and including Mr David Phiri, Bank of Zambia governor, and Mr Dominic Mulalsha, economic adviser to the president, have been held in high esteem.

Western donors have provided considerable backing for Zambia's economic adjustment programme, pledging some \$100m in concessional aid this year.

President Kaunda was at pains to stress, however, that his government remains firmly committed to the IMF-inspired

policy changes of the past six months, including the introduction of an innovative foreign exchange auctioning system which has led in a 70 per cent devaluation of the Zambian currency, the kwacha.

However, he criticised what he called certain abuses of the new system including the importation of luxury items such as tinned beer from South Africa and charged his newly-appointed economic team, under the leadership of Finance Minister Mr B. R. Kabwe, with seeking solutions to these problems.

Mr Kabwe has held a number of ministerial posts in the past

but is understood to lack direct experience of the highly technical issues handled by the Finance Ministry. The new central bank governor, Dr L. S. Chivuno, is a Moscow-trained economist whose appointment is likely to cause concern in western capitals.

The move comes scarcely three weeks before Zambian officials are to meet the country's commercial bank creditors in London for critical talks on rescheduling the country's commercial bank debt.

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West Berlin mayor to reshuffle city government

BY LESLIE COLTIN IN BERLIN

WEST BERLIN'S Christian Democrat (CDU) governing mayor, Mr Eberhard Diepgen, yesterday announced he would reshuffle the city government which for months has been at the centre of a corruption scandal.

Although Mr Diepgen gave no details it was widely expected that his controversial deputy, Mr Heinrich Lummer, would be sacrificed along with the head of the city's housing department.

Mr Lummer was accused of assisting a West-German businessman, now under arrest, who wanted to buy city-owned apartment houses cheaply.

Calls for his resignation have mounted in recent days after disclosures that he also paid DM 2,000 (£576) to a right-wing group in 1971 to prevent it from entering municipal elections.

The money was apparently used to produce emotive posters against the then ruling Social Democrats (SPD).

The scandal also involves city officials charged with accepting bribes and campaign contributions from builders who received preferential treatment.

Mr Diepgen has been urged to act quickly during the week by advisers to Chancellor Helmut Kohl. They were concerned that the CDU might suffer losses in an important state election later this month if the troubles in West Berlin were not tackled. The opposition SPD yesterday called for Mr Diepgen's resignation.

West Berlin is dependent on the financial support from the Bonn Government and relies heavily on investments by West German industry.

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124	118 Ass. Brit. Ind. Ord.	124	—	7.3	8.1	7.5
151	123 Ass. Brit. Ind. CULS.	138	—	10.0	—	—
75	43 Alpegrung Group	72	—	8.4	12.0	15.7
66	33 Amalgamated	66	—	4.8	12.3	4.3
177	108 Bardon Hill	176	—	3.9	—	—
64	42 Bay Technolopes	56	—	12.0	8.7	23.2
201	126 CCL Ordinary	198	—	4.0	2.5	5.2
162	87 CCL Tropic Conv. Pr.	158	—	3.9	—	—
150	80 Carborundum Ord.	147	+1	4.8	3.2	7.3
94	23 Carborundum 7 Spec. Pr.	91	—	10.7	11.8	—
65	46 Oberrohr Services	63	—	7.0	12.7	5.7
32	20 Fradeseck Partner Group	33	—	—	—	—
112	50 George's Ship	112	+2	—	—	—
68	20 Ind. Precision Castings	62	—	—	—	—
218	161 Isis Group	166	+1	15.0	8.0	15.4
122	101 Jackson Group	121	—	—	—	—
245	78 James Burrough	243	—	15.0	4.4	10.8
38	35 James Burrough SpCP	37	+1	15.8	12.5	—
90	51 John Howard and Co.	89	—	8.0	8.2	4.8
1200	570 Minihouse Holding NV	1070	—	8.9	0.6	46.7
82	32 Robert Jenkins	70	—	—	—	—
34	28 Scrutons A	30	—	—	—	—
57	56 Torley and Gerstle	58	—	5.0	7.2	3.5
379	320 Trevelin Holdings	380	—	2.8	4.6	8.3
53	25 Unilock Holdings	53	—	2.1	4.6	14.4
178	53 Weller Alexander	175	—	8.6	4.9	9.8
226	195 W. S. Yates	200	—	17.6	8.7	5.7

*Handwritten signature or scribble*







UK NEWS

Few Whitehall savings made, audit office finds

BY JOHN HUNT

A SURVEY by the National Audit Office suggests that less than half the proposed savings in government departments recommended by the Rayner efficiency unit have been accepted or implemented.

Brittan hits at Tory critics of GM deal

By John Hunt

MR LEON BRITAN, the former Trade and Industry Secretary, yesterday made a strong attack on Conservative MPs who opposed the sale of parts of BL to General Motors.

David Lascelles assesses the Lloyds Bank bid for Standard Chartered Dark horse set to leap on to world arena



Chairmen facing possible merger—Sir Jeremy Morse of Lloyds and Lord Barber of Standard Chartered.

TRUE TO its emblem, Lloyds Bank was a dark horse in all the takeover speculation that surrounded Standard Chartered Bank this week.

Standard is also the main shareholder in the Mocatta metals group where only two weeks ago it proposed to raise its stake to 50 per cent.

Africa, Asia and the Pacific rim, allowing the combined group to bring trade partners together almost anywhere.

By coincidence, Lloyds has just sold a retail bank it owned in California, so there will be no clash there with Union Bank.

This type of question could still be long way off though Lloyds is anxious to avoid bitter public struggles that seem to have become the norm of the UK takeover scene.

US investment group to enter home loan market

BY JOHN EDWARDS

A FRESH source of home loans, backed by international investors, is planned by Salomon Brothers, the US investment group, it was announced yesterday.

At the next election the Government should not succumb to pressure from those seeking to blow it off course, Conservatives had to be true to themselves and explain that a cocooned economy and society would not survive.

Loyalists renew attacks on RUC homes

BY HUGH CARNEY IN DUBLIN

ANOTHER 11 attacks on the homes of Ulster policemen were reported yesterday as the campaign of intimidation by hard-line loyalists opposed to the Anglo-Irish agreement showed no sign of abating.

link in maintaining accord. Sir John Hermon, chief constable of the RUC, and ministers have insisted that the force will not weaken, but there is concern in both Belfast and Dublin that police morale could be seriously damaged.

Even Lady Hermon has not escaped. Eggs were thrown at her from a large hostile crowd on Wednesday when she visited a policeman's home which had been attacked with stones in Lurgan, County Armagh.

Police on patrol have also been targets. Early yesterday, a petrol can packed with nails was detonated by remote control and 17 shots were fired at a passing police land rover in north Belfast, although there were no injuries.

Optare launches mini-bus

By Ian Hamilton Fazy

A SMALL bus company, Optare, born out of a defunct Leyland bus plant, yesterday unveiled its first all-new vehicle, a 23-seater bus.

Beatles exhibition is sold

By Ian Hamilton-Fazy, Northern Correspondent

TRANSWORLD LEISURE yesterday bought the award-winning but loss-making Beatles exhibition in Liverpool from Radio City, the city's independent radio station, for £498,000.

Cellnet drops subscription rise

BY JASON CRISP

CELLNET, British Telecom's cellular radio telephone network, has withdrawn its sharp increase in subscription charges just four days after they came into effect.

Just over a month ago Cellnet announced price increases in subscription and call charges which included introducing a differential rate for long distance calls.

Motorola, another important retailer of Cellnet's services, pre-empted the Racial decision last week by announcing a price freeze on subscription charges.

Self-regulatory bodies close to merger

BY ERIC SHORT

TALKS are at an advanced stage for a merger of the National Association of Security Dealers and Investment Managers, and the Life and Unit Trust Intermediaries Regulatory Organisation, Lutro, two of the self-regulatory organisations within the Investor Protection framework.

A merger announcement is expected within a few weeks. The regulatory framework for investment protection initially envisaged seven SROs operating under the official regulatory body, the Securities and Investments Board.

Only the smaller insurance intermediary handles nothing but life assurance, and unit trusts, Medium and large firms have a much wider range of investment services to clients, including what is defined as investment management.

The SIB has actively encouraged these merger talks. A joint working party has been examining the feasibility and practical considerations of a merger since the New Year.

Maxwell hopeful on French DBS plan

BY RAYMOND SNODDY

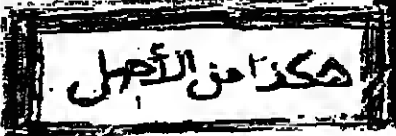
MR ROBERT MAXWELL, publisher of Mirror Group Newspapers, took a robust view yesterday of reports from France that the consortium he heads was about to lose its two channels on TDF-1, the French high-power broadcasting satellite.

The Mirror chairman described the report as a "complete fabrication." Last month, just before the French elections, Mr Maxwell announced that a five-nation consortium, European-Satellite Television Broadcasting Corporation, would run two channels of direct broadcasting by DBS satellite.

The satellite, due to be launched in November, would cover virtually all Western Europe. The French Government is reassessing all aspects of the media policy of its predecessor, and clear indications are being given that it plans to annul the DBS agreement with six months' notice and without compensation.

The Government intends to set up a national broadcasting commission to replace the less powerful High Authority. This is believed, will put the DBS channels out to tender. If the Government decides not to honour the TDF-1 agreement it is likely that the DBS partners would begin legal action.

Advertisement for Phillips & Drew "Share Service" featuring a telephone illustration and text: "Share Service makes buying and selling shares this easy. If you prefer to manage your own stock market investments, you need a quick, and simple way to buy and sell shares or deal in Unit Trusts."









LABOUR

Pay survey sets range for Civil Service talks

BY DAVID BRINDLE, LABOUR STAFF

NEGOTIATIONS with a range of 5.5 per cent to 7.5 per cent on a pay rise for 500,000 white-collar civil servants are expected to resume after receipt by the Treasury yesterday of an official survey of pay movements in the private sector.

Postal workers seek productivity deal changes

BY DAVID THOMAS, LABOUR STAFF

BRANCHES of the Union of Communication Workers, the largest postal union, are seeking fundamental changes to a key productivity deal for 23,000 counter staff and clerical workers in main post offices.

Shipyard workers ordered to lift overtime ban

BY ANDREW FISHER, SHIPPING CORRESPONDENT

WORKERS at the Swan Hunter shipyard on Tyne side were yesterday instructed by national union leaders to lift an unofficial overtime ban at the yard, which is competing with Harland and Wolff of Belfast for £240m of naval orders.

NUJ urged to discipline Wapping journalists

By Helen Hague, Labour Staff

THE EXECUTIVE of the National Union of Journalists is under increasing pressure from Broad Left supporters in the union to take disciplinary action against union members who are reporting for work at News International's plant at Wapping in defiance of a union instruction.

Complaints under the union's disciplinary Rule 18 have already been laid by individual union members against the four NUJ fathers of chapel working on The Sun, The Times, The Sunday Times and the News of the World.

Another complaint was recently laid by Mr Bernie Corbett, editor of the NUJ's paper the Journalist, against Mr Charlie Rae, industrial editor of The Sun.

The executive has so far resisted moves to discipline Wapping journalists put forward by left-wingers on the ruling body.

The development came as print union leaders met News International for the second time since 5,500 print-workers were sacked in January when the switch to Wapping was made.

The aim of the talks is to attempt to map out ground for a negotiated settlement of the dispute.

The National Graphical Association has declared previously that recognition for its members must form part of a settlement.

This position has been stated by Mr Tony Dubbins, the union's general secretary.

Mr Brenda Bean, general secretary of Sogat '82 has not in recent weeks made public pronouncements on recognition as crucial for a deal.

The company has previously stated that it has no intention of granting the NGA and Sogat recognition rights within the new plant—and has indicated that hardship payments for those who have been sacked may be on offer.

Meanwhile, shop stewards representing drivers who work for TNT, the road haulage company contracted to deliver News International's papers, are to urge their members not to cross picket lines at Wapping and at its sister plant in Glasgow.

TNT has a closed shop agreement with the Transport and General Workers Union. An instruction by Mr Ron Todd, the union's general secretary, not to cross picket lines has been ignored by the drivers.

Fifty print workers sacked from News International begin a four-week 'March for Jobs' in Glasgow to Wapping tomorrow.

A deputation of print union officials is to visit Australia later this month to seek support from workers on Mr Rupert Murdoch's papers there.

UK NEWS

Spotting jewels in suburban high streets

Christopher Parkes assesses prospects for the sale of Zales' chain of 110 shops

SHARES OF TOTAL JEWELLERY MARKET

Table with 3 columns: Company, %, and Market share. Includes H. Samuel (8.9%), Raters (2.6%), Mappin & Webb (2.5%), Zales (1.9%), Collingwood (1.6%), Goldsmith Group (1.2%), Time Products (1.2%), Ernest Jones (1.0%), Other specialist jewellers (46.8%), Total specialists (67.7%), Argos (Elizabeth Duke) (5.4%), Department Stores (9.3%), Mail Order (8.1%), Others (9.5%), Overall total (100.0%).

Source: Verdict estimates



One of the Elizabeth Duke boutiques—sparkling oases in the stark Argos showrooms.

MR BILL ROBBINS, managing director of Zales British Jewellery shop chain, seemed rather put out by all the attention he received recently. Returning from a board meeting at the group's headquarters in Dallas, he found himself beset by inquiries—some idle and some not so idle—about his company's future.

Zale Corporation had agreed at the meeting that its restructuring in the US, undertaken under threat of takeover, would mean considerable de-structuring in Europe.

"It isn't a fire sale," Mr Robbins groaned, anticipating the question he had been asked all week. The company was considering a number of ways of pulling out of its European operations, he explained. The preferred option was to dispose of the businesses by public share offerings.

Zale Corporation might keep an interest of anything up to 50 per cent, he said. "But if at the end of the day someone comes along with a cheque book and starts writing big numbers, then that would have to be considered."

No one is prepared to say how big the numbers might have to be, but the £30m acquisition of 100 James Walker shops by H. Samuel in 1984, provides a fair guide. Zales has 110 shops and 2 per cent of the market in Britain, 66 shops in West Germany and a further 20 in Switzerland.

The company's main British competitors have yet to reach for their cheque-books. For the moment they are only window shopping.

Mr Joe Phillips, chief executive of BAT Stores, part of the BAT Industries conglomerate, has called for reports from his scouts. However, he denied strong interest since the Zales outlets overlapped with his growing chain of Jewellers Guild shops.

He was fully occupied, he said, with BAT's main venture in the trade through the Elizabeth Duke jewellery boutiques it has established inside its Argos chain shops.

BAT has an organic growth programme which soon should make it the biggest jewellery retailer in Britain, leapfrogging H. Samuel, which is still digest-

ing its 1984 buy, and refusing to discuss the Zales move. BAT started from scratch in August 1984, and has built up a string of 25 smart new Jewellers Guild outlets, 10 of which opened late last year in time for the Christmas peak. Future developments are in preparation, but the group's base in the trade is firmly established in its Elizabeth Duke boutiques—sparkling oases in the stark Argos showrooms.

In 1979 diversification from tobacco led BAT to buy the 100-strong Argos chain for £35m. The company now has 169 stores and aims to open a further 20 this year. All but 15 have separate Jewellers Guild shops. This rapid growth has put BAT firmly in second place, with an estimated 6 to 7 per cent share of the £1.2bn market, compared with 9 or 10 per cent for H. Samuel.

Most jewellery retailers have benefited recently from the strong following wind which sprang up from the doldrums of recession. They suffered

more than other consumer specialists when money was tight. Zales reports that sales are rising steadily after real growth of 12 per cent in 1984 which was rounded off by a surge which raised Christmas takings by 20 per cent. Sales in December were up a further 10 per cent.

The revival has worked wonders for retailers' confidence. They have joined in the high street marketing and merchandising revolution with a will, and are trying various techniques to dispel the intimidating atmosphere of the old shops.

Zales introduced the no-door shop to Britain, allowing customers to walk in directly of the pavement. Raters, currently H. Samuel's main competitor among the specialists, has successfully carved a comfortable niche by deliberately moving down market.

Collingwood, part of Combined English Stores, is close to completing a refurbishment

programme costing about £25,000 for each shop. It is also developing its own discount business, Jewellery Galore—the Half-Price Store.

Ernest Jones has a striking new look for its more than 60 up-market stores using turquoise, pink and grey. H. Samuel's 400 shops have been decked out in dark blue, pink and grey. Its sales areas have been opened up to allow shoppers to inspect the goods without being shadowed by a sales person.

The difficulty for the market leaders appears to be that the Zales proposition might be too much of a good thing. Most of them already overlap in the American chain's main sales areas. Nor that this should necessarily present too many difficulties. Zales operates under the Regent and Leslie Davis names as well as its own.

However, most of the leaders seem to prefer to pick up outlets in job lots smaller than the 110 in Zales' portfolio. There is no shortage of pros-

pects. The trade is undeveloped when compared with some other retail sectors where the power is concentrated in relatively few hands. Non-specialists like Argos, department stores and mail order companies enjoy about 25 per cent, leaving almost 50 per cent in the hands of smaller independent specialists. In the past the expanding chains have tended to feed their expansionist ambitions by selectively culling this herd of lesser beasts.

More recently they have tended to open up new stores from scratch. Raters last year extended its non-frill 'Leisure' chain by 20 to 47 shops. This year it is concentrating on building up its main brand outlets.

Blending established outlets into a major operation is a complex process, as H. Samuel found with its Walker acquisition. The smaller chains, and even owners of single outlets appreciate the value of their assets—average shop turnover is estimated at about £200,000—and tend to ask extravagant prices.

Mr Phillips of BAT, claiming he is not particularly interested himself, suspects that at least one of the other majors may be tempted to strike at Zales. BAT has proved what a newcomer to the business can do—sales and profits have risen each year since Argos came under its wing—but Mr Phillips does not think an outsider will be tempted.

However that view may be diversionary and it reckons without the reaction of the ruffled Mr Robbins. A management buy-out, he admits, is "another option."

If it does come down in the end to "writing big numbers" he and his colleagues might be able to round up the backing. He has, after all, something of a head start. Zales owns only 50 per cent of its British business. Mr Robbins is sitting on the rest.

Verdict on Retail Jewellers, Verdict Research, 54 Britton Street, London EC3M 5NA, £250.

UK Jewellery Market, European Data & Research, 222 The Strand, London WC2R 1BA, £150.

Plan for £20m rail link to Manchester airport

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A PLAN for a £20m rail link to the centre of Manchester International Airport is to be put to Mr Nicholas Ridley, Transport Secretary, next week. The group comprising British Rail, the Manchester Airport Authority and the Greater Manchester Passenger Transport Authority is seeking a two-mile spur from the BR stall line to Manchester to a point inside the airport before the end of the 1980s. It would serve the existing main passenger terminal and the proposed £30m second terminal planned for Manchester Airport, the third largest in Britain, handles more than 6.2m passengers a year. It is expected it will handle about 8m by 1990 and about 12m by 1995.

The airport authority, which is to be privatised, is spending £20m to £25m a year on expansion of the total £200m in the next 10 years.

Mr James O'Brien, BR's managing director (railways), says BR is approaching the Manchester project "using exactly the same criteria as used on the Stansted (Essex) rail link."

This means the cash must come from BR, the airport authorities and third parties, including the open capital market.

Councillor Keith Barnes, chairman of the airport

authority, says he hopes to welcome rail travellers to the airport "in the not too distant future."

About £13m has been spent on extending the single runway at Manchester by 800 ft to 10,000 ft. This has allowed Pacific Airlines to start services this week from the airport and Qantas, the Australian airline to do so some time ago.

British Airways is considering the introduction of non-stop flights between London and Hong Kong and between London and Peking.

BA said that although the recent Chinese Government decision on air services between Hong Kong and China meant BA could not pick up passengers in Hong Kong for flights to Peking, passengers from the UK could still bank through-flights to Peking on BA.

Lord King, chairman of BA, said the non-stop service to Hong Kong could begin when new and improved Rolls-Royce engines were fitted to some of its 747s. The direct flights to Peking would "need to be negotiated with the nations concerned."

Air France has introduced a non-stop service once a week between Paris and Tokyo, via Siberia, supplementing the airline's seven weekly one-stop flights on the route.

APPOINTMENTS

Top economist joins County Bank

COUNTY BANK, NatWest's merchant banking subsidiary, has appointed Dr Brendan Brown as its chief international economist. In preparation for the formation of NatWest Investment Bank, working as a director of capital markets group, he will be responsible for introducing an economic service for institutional investors covering currency, interest rate and bond market forecasts, and advice on asset allocation between world debt markets, including internationally traded government securities and Eurobonds. Dr Brown was recently rated in the Institutional Investor magazine's survey as one of London's top international currency economists. He joins County Bank from the economics team at Phillips and Drew.

was an audit manager at Cooper & Lybrand.

Mr Graham Broadbridge, BRITISH CALEDONIAN'S general manager, Nigeria, has been appointed. He is Mr Tim Bell, based in Hong Kong. He succeeds Mr Ronald Noel-Paton who has become group managing director of John Menzies, Scotland. New general manager, Nigeria, is Mr Tim Bell, currently head of government and industry affairs at the airline's Gatwick headquarters. He will be based in Lagos from May 1.

KMG THOMSON McINTOCK, management consultants, has appointed its first permanent financial consultant in Aberdeen, Mr Michael Yullie, who was company secretary of Filobrey Kutwear Co and managing director of one of the group's manufacturing subsidiaries in Hawick.

Mr David Bolton has been appointed service director (designated) by DORMAN SMITH BRITMAC. He joined Britmac from sister company Dorman Smith Switchgear, where he was northern regional manager.

Mr Michael Wynne, a main board director, has been appointed deputy managing director of GODFREY DAVIS (HOLDINGS). He has relinquished the managing directorship of Godfrey Davis (Contract Hire) but continues as a director. He has also joined the board of Godfrey Davis Portable Buildings. Mr John Lysons,

deputy managing director of Godfrey Davis (Contract Hire), has been appointed managing director of that company. Mr Michael Carey, sales director of Godfrey Davis Residential Park Homes, has been made deputy managing director of the Park Homes subsidiary.

Mr John Goodfellow is joining QUADREX SECURITIES, a private international investment bank, as assistant director in charge of trading in the capital markets. He has come from Deutsche Bank Capital Markets where he was associate director responsible for bond trading.

Mr Jeremy White has become joint managing director of BRITANNIA SECURITY GROUP, with Mr Ralph Kanter. Mr White founded the White Group which was acquired by Britannia Security last September.

CHARTERHOUSE JAPHET, The Royal Bank of Scotland Group's merchant bank, has appointed as managing directors Mr John E. Astbury and Mr Michael R. E. Gatenby. Mr Astbury will be responsible for private and capital markets and Mr Gatenby for the corporate finance department. Mr Paul C. Bartos, Mr Edward D. Glover, Mr Michael R. Hargreaves and Ms Jeanne E. Short have been appointed directors.

SKETCHLEY has appointed Mr Simon Bee as UK consumer divisional chief executive. Mr Tony Coles as UK services divisional chief executive, and Mr

David Travis as group director of personnel.

Mr John R. Selater has been appointed a non-executive director of S. & W. BERKSFORD. He is chairman of the Foreign & Colonial Investment Trust and Guinness Mahon & Co. He is also a trustee of The Grosvenor Estate.

WARD WHITE GROUP has appointed to its main board Mr Peter George Arber, chairman and chief executive of the UK footwear and safety operating group. Mr Stephen Etheridge is promoted from sales director to managing director of John White Footwear in succession to Mr Arber. Mr Martin Towers becomes group financial controller. He was group accountant.

Mr Ray Jackson has become Corby's new director of industry. Previously deputy director of industry, he succeeds Mr Fred McClenaghan, who is now marketing director for the Northern Ireland Alports Authority.

The following appointments have been made in the C. E. HEATH GROUP: C. E. Heath & Co (Insurance Broking)—Mr P. C. Mettley, additional director; Mr E. H. Broking, Mr R. L. Walker, additional director; C. E. Heath & Co (International)—Mr A. G. Needham, Mr R. S. Palmer and Miss M. Ross, associate directors; Mr R. J. Cowling & Co (London)—Mr R. J. Cowling, Mr J. W. M. Houston, Mr R. G. Ross and Mr A. J. Warman, assistant directors; C. E. Heath & Co (LUX)—Mr L. N. Fribsey, Mr E. H. Broking, Mr M. V. I. Lazarus, an assistant director; C. E. Heath & Co (North America)—Mr A. C. Marsh and

Mr N. G. L. Woods, associate directors; C. E. Heath & Co (Reinsurance Broking)—Mr D. M. R. Butler, associate director, and Mr G. F. Goode, assistant director; and C. E. Heath & Co (UK)—Mr C. A. Pavey, associate director.

SATELLITE TELEVISION has appointed Mr Paul Le Druffence as financial controller. He replaces Mr Chris Bevis, who is leaving to launch his own accountancy practice. Mr Le Druffence was financial controller and company secretary at Radio Luxembourg (London).

CASH FLOW MANAGEMENT CONSULTANTS has appointed Mr John H. Goodman as sales and marketing director. He was chief executive of the Institute of Sales & Marketing Management.

BRITANNIA ARROW HOLDINGS has appointed Mr David Stevens as a director.

Mr Dennis Booth, Mr Christopher Brader and Mr John Richards have been appointed directors of WOOD MACKENZIE & CO.

Mr Derek Langley has been appointed RACAL-CHUBB board member responsible for the group's Midlands companies. Under the move, Mr Langley takes board responsibility as chairman of the Chubb Safe Equipment Company and Chubb Security Installations. In addition to retaining his position as managing director of Josiah Parkes & Sons (Holdings) and chairman of the Chubb Lock Company, C. E. Marshall, Albert Marston & Co and L. & F. Willenhalp.

Advertisement for MIAD FAIR OF MILAN PAVILIONS 27, 27A, 28 and 34. Includes text: 'The greatest most complete exhibition in sweetmeats and confectionery', 'Semi-finished materials', 'Machines, installations and equipment for the confectionery industry', 'Finished confectionery products', 'Fancy goods for combination with products', 'Packaging', 'Presentation articles', '11th INTERNATIONAL CONFECTIONERY EXHIBITION'. Contact information for PUBLI EURO PRESS P.R. S.p.A. is provided.

Advertisement for AUCTIONS OF HUGE INVENTORY VALUABLE PERSIAN & ORIENTAL RUGS. Text: 'FINANCIAL INSTITUTE DEMANDS COMPLETE DISPOSAL', 'Being merchandise appropriated by Financial House Hamilton Somerset (London) Ltd to secure their position against a well known trader now in default.', 'SUNDAY 6th APRIL at 3pm', 'Viewing from 1pm at the following locations: REMBRANDT HOTEL, THURLOE PLACE, LONDON SW7. ST. ERMIN'S HOTEL, CAXTON STREET, LONDON SW1.' Includes details on payment and contact information.

Handwritten signature or scribble at the bottom of the page.



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\*UNLESS THE OFFER HAS BECOME UNCONDITIONAL AS TO ACCEPTANCES.











# UK COMPANY NEWS

## Lionel Barber considers yesterday's bid for Berisford Hillsdown's cards on the table

FOR six weeks, the City of London and Whitehall has been watching a poker game develop over the future of S & W Berisford, the commodity trading group run by the reclusive Mr Ephraim Margulies. Nine days ago a crucial new card was thrown into the game when Berisford published its long-awaited audited accounts for 1985.

For Mr Harry Solomon, joint chairman of Hillsdown Holdings, the acquisitive UK food manufacturer, it could not have come at a more inopportune moment. Having gone on a week's holiday in Cyprus with his wife, he was long on sun but short on information. "My wife told me that I must be the only person on holiday who has spent more on telephone calls than an food," says Mr Solomon, now back in London and contemplating his most ambitious business move yet.

Hillsdown's £486m bid for Berisford, unveiled yesterday, removes the uncertainty surrounding its intentions towards the commodities group, whose most valuable asset is its wholly-owned subsidiary, British Sugar. This has 50 per cent of the UK retail and industrial market combined. It also appears to resolve the question over the ambitions of Ferruzzi, the privately-owned Italian food and agricultural group, with a 9 per cent stake in Berisford.

Yesterday, Ferruzzi said that it was accepting irrevocably Hillsdown's offer, in return for a near 4 per cent in the proposed enlarged Hillsdown-Berisford group. There is talk of co-operative food ventures with Hillsdown, but this is much less than the Italians were looking for. Their grand design for dominating the European sugar market, by acquiring British Sugar, appears to have foundered on the opposition of the UK farming community and the competition watchdogs in London and Brussels.

The uncertainty remains with the two other players in the poker game: Tate & Lyle, the UK sugar refiner, which holds a 9.1 per cent stake in Berisford and 45 per cent of the UK retail industrial market combined; and Mr Margulies, who has made it clear in talks with Hillsdown, Ferruzzi and Tate that he would like to retain something of his sprawling empire, pos-

sibly in the form of a management buy-out of the group's commodity merchandising and international trading business. There was talk in the stock mar-

HILLSDOWN RESULTS		
	Turnover	Profits
1985	1,135.5	33.4
1984	983.2	18.9
1983	549.7	11.5
1982	410.8	7.3
1981	100	4.4

ket last night of Tate combining forces with Mr Margulies to thwart Hillsdown.

Mr Margulies was staying characteristically silent yesterday about his view on Hillsdown's offer. One of Britain's most dynamic and acquisitive food manufacturing companies, the group only came to the Stock Market a year ago. Since then, it has spent £35m on buying up 20 companies, four public and 16 smaller private, involved in anything from manufacturing (Needlers) to furniture making (Christie-Tyler and Walker & Homer).

Today, its interests are almost as diverse as Berisford's. Some 128 subsidiary companies comprise poultry, eggs, canning and freezing food and vegetables, as well as contract stationery, office equipment, property trading, and retail travel agencies. It employs 19,000 people. Pre-tax profits have risen from £4.4m in 1981 to £3.4m in 1985, an annual compound growth of 66 per cent.

Berisford, by contrast, has hit troubled times. In 1981, it



Mr Raul Ferruzzi, chairman of Ferruzzi.

made £40.7m pre-tax in 1982, the year it paid £240m for British Sugar after a bitter takeover battle it made £34.7m; but in 1985 pre-tax profits fell 31 per cent to £59m, including a provision of £33m for losses likely to be sustained in tin trading. Moreover, contingent liabilities detailed in the 1985 annual report, not including guarantees given to the banks on behalf of subsidiaries "in the normal course of business."

It is these liabilities sustained in Berisford's commodity trading which stayed Hillsdown's hand and led to what Mr Solomon, Hillsdown's finance director, says was a detailed investigation of the financial state of Berisford's many subsidiaries. Until the picture cleared, Hillsdown was not pre-

pared to move, despite what it claims are obvious fits between the two companies.

For the strongest appeal lies in Berisford's sugar and animal feeds division, which made £62.5m pre-tax in 1985. Mr Solomon says sugar is a natural add-on to the group's fast-growing interest in meat, canned, and frozen foods and eggs. The idea is to build up supplying these food products to UK supermarkets, which Mr Solomon says is Hillsdown's speciality.

But sugar prices have sagged over the past nine months as British Sugar has allowed itself to be caught in a fierce price war with an emerging competitor, Napier Brown, and the old stalwart Tate & Lyle. Mr Solomon reckons that he can improve margins, by building up British Sugar's brand names such as Silverspoon but above all by restoring "stability" to the market.

Hillsdown's strongest card lies in its promise of stability. The Ferruzzi position in Ferruzzi among UK sugar farmers and other UK sugar growers because of fears about the Italians' motives for acquiring British Sugar. Added to its French and domestic sugar interests, Ferruzzi would have controlled 22 per cent of the European sugar quota.

While Ferruzzi was still knocking at Berisford's door, Tate was able to justify a counter-bid; better a British group controlling the UK sugar market than an Italian outsider achieving this by proxy through a dominant European market share. Tate may conclude that Hillsdown is its least worst enemy: Mr Solomon has certainly made this point, with his talk of higher sugar prices, in recent discussions with Tate.

But Tate may conclude that the break-up of Berisford may offer a last chance to unify the British sugar industry and, like Ferruzzi, think on a global scale. A bid would risk a Monopolies Commission reference—but that would give Tate six months to put its case for such a restructuring to the public and to the politicians, providing that Hillsdown was also referred. In the light of undertakings given by Berisford to the Office of Fair Trading regarding British Sugar and its position within the group, a reference could well occur.

## Good Relations in talks

By Richard Tomkins

Good Relations, the fully-listed public relations company which suffered a series of executive resignations last year, yesterday announced that it was in merger discussions with another company.

It said that the discussions were at a very early stage and that another announcement would be made in due course. Its shares closed 15p up at 168p.

Valin Pollen International, the corporate advertising and public relations agency which moved from the unlisted securities market to the main market on Tuesday. Neither Mr Reg Valin, chairman, nor Mr Richard Pollen, co-founding director, were available for comment.

Some other favoured candidates such as Shandwick, Saatchi & Saatchi, Lowe Howard Spink and Dewe Rogerson were ruled out yesterday afternoon.

## Newman to stave off McKechnie approach

By David Goodhart

THE £65M bid by Midlands manufacturer McKechnie Brothers for the hardware branded products group, Newman Tonks, appears set to fail.

The final result will not be known until tomorrow afternoon, but the financial advisers to both sides concurred last night that a McKechnie victory now looks most improbable.

Mc Richard Crick of Newman's advisers, Hill Samuel, said he was "quietly confident" and added that he knew of only one major institution that had accepted the McKechnie offer.

Mr Edward Barnes, the managing director of Newman said that he was now pretty confident of resisting this bid although, he doesn't want to be complacent.

Assuming McKechnie does lose the bid, it is unlikely to be too disappointed. The total costs have been a little over £9.5m, but that is partially offset by the small profit on its 15 per cent stake which it is expected to sell quite soon.

More important, the bid has saved McKechnie from a £150m hostile bid from Williams Holdings which had made dropping the offer for Newman a reference condition of its continuing with its bid.

## Argyll presses for hearing on breach of rules

By Raymond Snoddy

THE Argyll Group will be applying to the court bearing of its claim that the agreed Guinness-Distillers merger breaches Article 86 of the Treaty of Rome despite the firm rejection of its plea for an interim injunction by the Edinburgh Court of Session.

Lord Jauncey concluded yesterday that there were no grounds for an interim injunction over breach of EEC competition rules. He said, he was left in considerable doubt as to "facie" case as to the dominance of Distillers in its markets. Lord Jauncey also said that even if such dominance could be proved he doubted there was any evidence of the abuse of market position.

Despite the improbability of Argyll now succeeding at a full hearing, it will press ahead, no doubt hoping that the pending legal action will remain a slight negative factor hanging over the Guinness deal.

Guinness's offer — which it said on Thursday would not be increased — has pulled further ahead of Argyll's in share terms. Guinness rose 10p to close at 351p valuing each Distillers share at 77p while Argyll remained static on 360p valuing each Distillers share at 78p.

Distillers yesterday released the results of a telephone survey of 4,000 private Distillers shareholders in Edinburgh and London which showed that 1,519 had either accepted the Guinness offer already or were planning to, 112 had accepted or intended to accept the Argyll offer and about 2,000 remained undecided.

## Jonas Woodhead

By Raymond Snoddy

Talks about a possible takeover of Jonas Woodhead & Sons, the car suspension manufacturer, have ceased and no offer is now expected. Woodhead's share price rose from 39p to 50p on March 25 when the announcement of a possible takeover was made but fell yesterday (Friday) by 6p to 45p.

Following a loss of £1.15m in 1984-85 the company reported pre-tax profits of £340,000 in the half year ended September 30 1985.

## Standard Fire

By Raymond Snoddy

Standard Fireworks said yesterday it had received an approach which could lead to a bid for the company. It did not disclose the name of the potential bidder. Standard's market capitalisation at yesterday's closing price of 140p, up 25p on the day, stood at £7.8m. In 1985 the company increased its pre-tax profits to £1.2m (£1.2m) on turnover of £7.3m.

## Fairey Engineering

By Raymond Snoddy

In Thursday's Financial Times it was incorrectly implied that Pearson paid £22m to the National Enterprise Board in 1980 for Fairey Engineering — the same sum that will provisionally receive from Williams Holdings for the company. In fact Pearson paid £22m in 1980 for Fairey Holdings. Fairey Engineering last year accounted for about one-third of Fairey Holdings' turnover.

## Demerger adds cash alternative to Extel offer

By Charles Batchelor

Demerger Corporation, the newly-created company which has made a £170m takeover bid for Extel, the business and sporting information group, yesterday announced a revision of its bid terms to make it more attractive. It also unveiled an ambitious three-part plan to expand Extel's operations.

The Demerger offer is one of the most unusual of the present state of takeover bids. It involves the creation of a company, backed by a little-known merchant bank, Incooper Earl, for a long-established group.

Demerger, as its name implies, plans to break up Extel into five separate companies and float them on the stock market. The aim is to increase the market value of the core information business, which Demerger claims has been weighed down by the less glamorous publishing, advertising and computer systems activities.

Demerger has added a cash alternative to its original offer,

which consisted only of shares and loan notes.

The cash offer is worth a little less than £170m, slightly less than the original offer, but is intended to meet criticism from some City investors that it was difficult to put a value on the "all-paper offer".

Demerger said it had reached agreement in principle with a French telecommunications company to take broadcasting time on a French satellite. It plans to use the channel to transmit live coverage of sporting events to bookmakers in Britain and on the Continent.

Demerger has also reached agreement with Euronomy Publications, the magazine publisher, to establish a debiting service covering Euro-bonds, UK corporate bonds and Euro-commercial papers on similar lines to the services operated by Standard & Poor's and Moody's of the US.

Finally, Demerger has agreed with SkyNet Computer Systems, a company headed by Mr

Michael Rhode, Demerger's chairman, to computerise the Extel card system of company information.

Mr Peter Earl, managing director of Incooper Earl, said: "We had hoped to incorporate some of these ideas in our original bid but had to rush out our offer because we were afraid of a leak. We hope the logic of what we are trying to do will now be more apparent."

Extel responded that it remained steadfastly opposed to the Demerger bid and advised its shareholders to take no action. It doubted Demerger's ability to finance the cash offer. Mr Earl said Demerger had arranged for a group of institutions, most of them Extel, to sub-underwrite the cash offer on the London common in the Eurobond markets.

Extel's shares rose 12p to 405p yesterday, above the 400p level of the cash offer but below the 400p value Demerger has put on its share offer.

## United News sells rest of Reuters B shares

By Raymond Snoddy

UNITED NEWSPAPERS, publishers of the Daily and Sunday Express and the Star, has sold its remaining limited rating B shares in Reuters Holdings, the news and information group for £76.7m.

United said yesterday it had sold its holding of 17.48m ordinary shares to a number of institutions at 440p each. That compares with a Reuters closing price yesterday of 455p, down 10p on the day. United closed at 845p, up 5p.

United said yesterday it had sold the shares to use in its general business and to reduce indebtedness. The sale comes at the same time as the Express Group has reached agreement for 2,500 redundancies and early retirements. The package is likely

to cost about £40m. United said yesterday that the timing was coincidental.

The group once had the largest Fleet Street interest in Reuters, but in November it raised £31m through selling shares. It was then one of six leading newspaper groups which raised more than £100m by selling a block of Reuters B shares at 312p each. The disposal represented more than one-tenth of the total shares floated on the Stock Exchange in 1984.

The sales of Reuters shares has often come as a welcome relief to newspaper groups facing heavy financing costs because of building new printing plants or introducing new electronic technology. United still has a holding of 8.8m A shares.

## Sears sells Central stake

By Raymond Snoddy

Sears Holdings, one of Britain's biggest retail groups, has agreed to sell its 20 per cent stake in Central Independent Television for £13m.

The shares have been placed with about 20 institutions, none of which will hold more than 5 per cent. The sale is conditional on the approval of both the Central Board and the Independent Broadcasting Authority, but both are expected to endorse the change.

Sears bought its stake in May 1983 for £7m when the share price was 140p, and sold at 255p. Sears had wanted to buy the entire 51 per cent stake in Central then held by ACC, but the IBA would not let the company buy a controlling interest.

Mr Geoffrey Maitland Smith, chairman of Sears, said yesterday the decision to sell had been taken because the company preferred to have controlling interests in its investments and that would never be possible in the case of Central. Sears had made a very good profit on this investment.

Mr Robert Phillips, managing director of Central, said yesterday that the support of Sears had been greatly valued, particularly at the time of the capital restructuring of the company following the sale of the ACC shareholding in 1983.

Central will now have four main shareholders: D. S. Thompson with 20 per cent, Larbrooke, 20 per cent, Robert Maxwell's Pergamon Press with 13.8 per cent, and Prudential Assurance with 5 per cent.

The sale of the Sears stake is likely to create a more active market in Central shares and help pave the way for an eventual full Stock Exchange listing.

## Brit Arrow up to £20m

By Raymond Snoddy

IN LINE with expectations, Britannia Arrow Holdings reported pre-tax profits for 1985 of £19.72, against £14.1m last year. Analysts had been forecasting profits of between £19.5m and £20m.

Turnover, excluding banking and insurance, fell from £576.41m to £467.26m. Operating profits from merchant banking were £10.02m, against £5.53m for eight months last year and there was a £994,000 (£556,000) from insurance.

Investment management contributed £13.22 (£9.67m) and there was £1.87m (£3.87m) from investment and other income and £1.89m (£1.41m) from property.

Earnings per share, before extraordinary items, were 9.1p (6.2p) based on 8.5p fully diluted, including extraordinary items, but before bid defence costs, earnings were 14.2p (10.5p) or 12.6 fully diluted. The dividend has been raised to 4p (2.5p) with a recommended final payment of 5p (3.5p).

The tax charge was £2.69m (£4.04m) and minorities took £849,000 (£512,000).

After all the excitement in recent months surrounding Britannia Arrow, yesterday's annual results were something of a non-event. A margin of £200,000 over the forecast was no more than the market has come to expect, although the after tax figure was swelled by a tax charge that was lower than some had expected. The market absent mindedly marked the shares up a couple of pence to 145p; for the news that it really wants to hear—the purchase price of MIM and details of that company's profitability—it will have to wait for the end of next month. None of this stops the City from guessing, and yesterday analysts were feeding on a hint dropped by the company that the acquisition would not dilute earnings. Meanwhile the identity of the holders of 20 per cent of the equity—shares sold by the thwarted Guinness deal—remains a mystery, and one that shareholders and the company itself must be keen to know the answer to.

W. A. Tyzack ahead

W. A. Tyzack, the Sheffield-based precision engineer, made its recent improvement during the six months ending January 31 1986 and report an increase in pre-tax profit from £125,361 to £161,900.

After reporting regular losses between 1979 and 1984, Tyzack has picked up and has advanced steadily since then, reporting an increase in pre-tax profit from £125,361 to £161,900.

Sales improved substantially from £3.13m to £4.30m—in the last full year to July 31 1985 amounted to £6.73m. The interim dividend is unchanged at 0.6p and stated earnings per share were 2.01 against 1.81p.

First half tax was £59,600 compared with £35,000, after dividends of £30.5 (£30,000), retained profits can total £11,500 against £80,361.

Its first half figures include a full six months from Rhod Machine Knives.

## British Syphon in bid talks

By Raymond Snoddy

British Syphon Industries, the acquisitive industrial holding company, is in advanced discussions with Marshall's Universal which may lead to it making an agreed offer for Marshall's. It was announced yesterday. Marshall's has interests ranging to self-adhesive stickers. Shares in both companies were suspended on the Stock Exchange yesterday pending announcement. It acquired a 25.56 per cent stake in Marshall's last November and in February was given a

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Fri April 4 1986					Highs and Lows Index				
	Index	Day's Change %	1985	1986	1986	High	Low	High	Low	
1 CAPITAL GOODS (212)	736.25	+0.2	732.12	16.09	3.97	737.75	735.05	727.97	590.36	737.75
2 Building Materials (20)	144.79	+0.1	143.77	1.02	1.40	144.55	143.36	142.37	112.74	144.79
3 Confectionery (20)	134.66	-0.7	134.96	-0.30	-0.22	137.95	134.75	133.53	102.23	134.66
4 Electricals (12)	189.29	+0.9	187.91	1.38	0.73	189.50	187.50	185.50	150.62	189.29
5 Electronics (30)	164.54	-0.4	164.54	0.00	0.00	167.50	164.54	162.50	125.93	164.54
6 Mechanical Engineering (64)	426.69	-0.1	426.69	0.00	0.00	426.74	426.69	426.74	346.74	426.69
7 Metals and Metal Forming (7)	330.81	-0.6	330.81	0.00	0.00	332.96	330.81	332.96	263.27	330.81
8 Motors (17)	296.31	-0.5	296.31	0.00	0.00	297.94	296.31	297.94	247.94	296.31
9 Other Industrial Materials (22)	134.66	-0.4	134.66	0.00	0.00	134.66	134.66	134.66	102.23	134.66
10 MISCELLANEOUS (28)	94.78	+0.3	94.78	0.32	0.34	95.81	94.78	95.81	78.36	94.78
11 Breweries and Distillers (2)	46.14	-0.3	46.14	0.00	0.00	46.14	46.14	46.14	36.14	46.14
12 Food Manufacturing (22)	702.63	+1.5	702.63	1.50	1.50	702.63	702.63	702.63	502.63	702.63
13 Food Retailing (14)	1942.23	+0.1	1942.23	0.19	0.19	1942.23	1942.23	1942.23	1442.23	1942.23
14 Health Products (10)	159.26	-0.1	159.26	0.00	0.00	159.26	159.26	159.26	129.26	159.26
15 Leisure (2)	958.85	-0.5	958.85	0.00	0.00	958.85	958.85	958.85	758.85	958.85
16 Publishing & Printing (14)	2407.02	+0.3	2407.02	0.74	0.74	2407.02	2407.02	2407.02	1907.02	2407.02
17 Packaging and Paper (14)	474.35	-0.4	474.35	0.00	0.00	474.35	474.35	474.35	374.35	474.35
18 Stores (94)	97.32	-1.5	97.32	0.00	0.00	97.32	97.32	97.32	77.32	97.32
19 Textiles (17)	573.46	-0.2	573.46	0.00	0.00	573.46	573.46	573.46	473.46	573.46
20 Tobacco (2)	134.66	-1.6	134.66	0.00	0.00	134.66	134.66	134.66	104.66	134.66
21 OTHER GROUPS (85)	829.25	+0.1	829.25	0.82	0.82	829.25	829.25	829.25	629.25	829.25
22 Chemicals (19)	921.46	-0.7	921.46	0.00	0.00	921.46	921.46	921.46	721.46	921.46
23 Office Equipment (4)	263.65	-0.4	263.65	0.00	0.00	263.65	263.65	263.65	163.65	263.65
24 Shipping and Transport (2)	149.23	-0.2	149.23	0.00	0.00	149.23	149.23	149.23	99.23	149.23
25 Telephone Networks (2)	348.80	+1.4	348.80	1.47	1.47	348.80	348.80	348.80	248.80	348.80
26 Other Services (19)	109.23	-0.3	109.23	0.00	0.00	109.23	109.23	109.2		



RECENT ISSUES

EQUITIES

Table of recent equity issues with columns for issue price, amount raised, and stock details.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for issue price, amount raised, and stock details.

RIGHTS OFFERS

Table of rights offers with columns for issue price, amount raised, and stock details.

Announcement date usually last day for dealing free of stamp duty. Figures based on prospectus estimates. Assumed dividend and yield. Forecasts based on prospectus or other official estimates for 1986.

INTL: COMPANIES & FINANCE

Puma plans public issue on Frankfurt exchange

BY PETER BRUCE IN BONN

PUMA, West Germany's second largest producer of sports shoes and a rapidly growing competitor in the international sports and leisure clothing markets, announced yesterday it plans to issue shares on the Frankfurt stock market.

The company, which boosted turnover 30 per cent last year to DM 2bn (\$840m), did not say when it planned to make its first public issue and gave no details about the kind of stock it would be offering.

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same small Bavarian town, Herzogenaurach, just outside Nuremberg. Adidas, the world's biggest sports shoe producer with a turnover last year of DM4bn, is run by Puma's first cousin, Mr. Karl Dassler. Their fathers parted company following a row after the war and the two groups have been fierce rivals ever since.

Adidas, closely followed by the US producer Nike, grew much faster than Puma throughout the '60s and '70s, particularly through use of sponsorships and the licensing of production in Third World countries.

going public for some time. Puma is thought to have reached the limits of the kind of expansion it could finance itself, despite its successes in the market and the chairman, now 57, has been concerned to plan well ahead for his successor.

Mr. Dassler, whose three sons work for Puma, owns 70 per cent of the business while his brother, Gerhard, owns the remainder.

Schindler hit by exchange rates

BY WILLIAM DULLFORCE IN GENEVA

SCHINDLER, the Swiss gift manufacturing group, has reported a 4.5 per cent fall in consolidated net profit to SFR 46.4m (\$23.5m) in 1985 after a 4.2 per cent decline in turnover to SFR 1.87bn. The parent company, however, showed an improvement in net earnings from SFR 14.2m to SFR 15.3m.

The board proposes to pay shareholders for the sixth year running, unchanged dividends of SFR 22 a registered share and

Tesoro Petroleum faces \$300m bid

By William Hall in New York

TESORO PETROLEUM, a Texas oil and gas producer with extensive operations in Bolivia, Turkey and Indonesia, has received a takeover bid worth more than \$300m from Cavalcade Asset Corporation, a New York investor group.

Mr. Michael J. Levenson, Cavalcade's president, has offered a package of cash and securities, said to be worth between \$20 and \$25 for each of Tesoro's 13.7m shares. The offer was announced at the end of trading yesterday. Tesoro shares closed 1/4 up at \$11.

Cavalcade, which is being advised by Dean Witter, is offering \$5 a share in cash, a unit issued by Cavalcade-TSO, a master limited partnership (MLP) which will be formed to own Tesoro's refining, marketing and transportation division, and notes issued by the MLP valued at \$3 a share.

Selenia profits fall despite higher sales

By James Buxton in Rome

NET PROFITS of Selenia, the Italian state-controlled maker of radar, missiles and other electronic equipment, declined by 27 per cent last year to L1.8bn (\$62m) compared with L2.0bn in 1984.

Sales were up by 17 per cent at L700bn, and orders rose by a similar percentage to reach L800bn. The company said that progress was satisfactory, but said that it had suffered from exchange rate fluctuations.

Australian stock markets bring back short selling

BY LACHLAN DRUMMOND IN SYDNEY

SHORT SELLING is to be reintroduced to Australian stock markets from Monday, after a 15-year ban on such deals where the vendor, expecting a fall in the price, has yet to buy the shares.

Sharp reverse for Tan Chong Motors

By Wong Sulong in Kuala Lumpur

PRE-TAX PROFITS at Tan Chong Motors, which distributes Nissan cars in Malaysia and Singapore, plunged by 73 per cent to 18.1m ringgit (\$7.2m) last year as the company felt the full impact of the regional recession, the introduction of the Malaysian National Car and a stronger yen.

Turnover fell 7.5 per cent to slightly over 1bn ringgit. Profit after tax declined by 71 per cent to 10.8m ringgit.

Tan Chong, which had been the market leader in Malaysia and Singapore for the past decade, said trading conditions for the current year are not expected to improve, with the Malaysian car, the Proton Saga, carving a far bigger market for itself and the sharp appreciation of the yen against the ringgit.

Since the beginning of the year the yen has appreciated more than 40 per cent against the ringgit, and this is unlikely to be fully recovered from the market, as car prices are controlled by the Government.

After an interim dividend of 1 per cent, Tan Chong is not making a final payment. It paid 4.5 cents (amounting to 18.1m ringgit) in dividends for 1984.

ECONOMIC DIARY

TODAY: EEC Finance Ministers begin two-day informal meeting. Göttersum, Netherlands. Foreign Ministers of Contadora Group meet in Panama seeking negotiated settlements to Central American conflicts.

WEDNESDAY: Hanover trade fair opens. Heineken annual report. Provisional estimates of monetary aggregates for mid-March. February advance energy statistics. London and Scottish banks' March monthly statement.

THURSDAY: Fulham by-election polling day (result due Friday). Mr. Weinberger visits Australia. Rio Tinto-Zinc Corporation final results. Fourth quarter financing of the Central Government borrowing requirement. UK banking statistics for the fourth quarter. Fourth quarter money stock.

FRIDAY: British Institute of Management conference on creating wealth in the 90s, introduced by Mr. Geoffrey Partie, Minister of State for Industry. Speakers include Mr. Walter B. Wriston, chairman of President Reagan's economic policy advisory board, at Grosvenor House, SW1. Hawker Siddeley final results. Deutsche Bank annual statement. March provisional figures of vehicle production. British February final figures of car and commercial vehicle production. Usable steel production in March.

EUROPEAN OPTIONS EXCHANGE table with columns for Series, Vol., May, Last, Aug., Last, Nov., Last, Stock.

TOTAL VOLUME IN CONTRACTS: 44,116. A=Ask B=Bid C=Call P=Put

BSC to dispose of Canadian steel stake

By Bernard Simon in Toronto

BRITISH STEEL Corporation plans to sell its 50.1 per cent interest in Slater Steels, the Canadian special steels maker, as part of a C\$70.2m (US\$60.3m) cash offer by a group of North American investors for all Slater's shares.

BSC said yesterday that the joint venture formed by Peter-Son, Jacobs and Harding, a New York investment firm, and two members of Toronto's Fingold family intend to offer C\$13.50 for each of Slater's 5.2m outstanding common shares.

The offer will replace a previous bid of C\$11.50 a share plus subordinated debentures of C\$3 a share. The new offer is subject to the completion of financing arrangements and legal formalities.

The Fingold family sold control of Slater to BSC in the early 1970s. Based in Hamilton, Ontario, Slater also has plants in Quebec and Indiana.

Mixed trading results for two Belgian retailers

BY OUR FINANCIAL STAFF

GB-INNO-BM, Belgium's largest retailing group, has reported a 2.4 per cent increase in net profits for 1985 to BFR 975m (\$20m) from BFR 952m the previous year. Sales rose 2.2 per cent to BFR 147.1bn, and the company is proposing to pay an unchanged dividend of BFR 215 per ordinary share.

Parent company sales at BFR 133.6bn were virtually unchanged from the previous year, reflecting stagnation in retail sales throughout Belgium as well as the impact of closing down some unprofitable outlets.

Australian stock markets bring back short selling

BY LACHLAN DRUMMOND IN SYDNEY

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Advertisement for FT INDEX & BUSINESS NEWS REPORT, featuring a telephone icon and contact information.

LONDON TRADED OPTIONS table with columns for Calls and Puts, Option, Apr., July, Oct., May, Aug., Nov.

Table of financial data for various companies, including Tan Chong Motors and others.

MURRAY INTERNATIONAL TRUST PLC advertisement, featuring a 150% increase in net asset value and details of investment policy and performance.



WORLD STOCK MARKETS

NEW YORK Stock market listings including AGZ Computers, AMR Corp, ASA, AVCO Corp, and various other companies with their respective stock prices and changes.

NEW YORK INDICES Table showing Dow Jones, Industrial, and various sector indices with their values and percentage changes.

CANADA Stock market listings for various Canadian companies such as AMCA Int'l, Alcan, and others.

Dow eases on rate cut rumours. WALL STREET. Shares were also actively traded on the Dow Jones Industrial Average...

CANADA Stock market listings for various Canadian companies such as AMCA Int'l, Alcan, and others.

INTERNATIONAL Stock market listings for various countries including Australia, Germany, Norway, Sweden, Denmark, Italy, France, Switzerland, Netherlands, and Singapore.

Notes and market commentary at the bottom of the page, including 'Notes - Prices on this page are as quoted on the individual exchange...' and 'Standard and Poor's...'.



CURRENCIES and MONEY

COMMODITIES and AGRICULTURE

FOREIGN EXCHANGES

Attention turns to the EMS

Attention was focussed yesterday on the imminent realignment of currencies within the European Monetary System...

£ IN NEW YORK

The dollar recovered towards the close against the D-mark but fell to a low against the Swiss franc...

STERLING INDEX

Table with columns for time (8.30 am, 10.00 am, 11.00 am, Noon, 1.00 pm, 2.00 pm, 3.00 pm, 4.00 pm) and index values.

POUND SPOT—FORWARD AGAINST POUND

Table showing exchange rates for various countries (US, Canada, Belgium, Denmark, France, Germany, Italy, Japan, etc.) with columns for spot and forward rates.

CURRENCY RATES

Table of currency rates for April 4, listing various currencies and their values.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table showing exchange rates for various countries (UK, Ireland, Canada, etc.) with columns for spot and forward rates.

CURRENCY MOVEMENTS

Table showing percentage changes in currency values for various countries.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various currencies and maturities.

OTHER CURRENCIES

Table showing exchange rates for various other currencies like the Australian dollar, New Zealand dollar, etc.

EXCHANGE CROSS RATES

Table showing cross rates between various currencies.

MONEY MARKETS

UK rates little changed

UK interest rates were barely moved in London yesterday in very quiet trading. The effect of an imminent realignment of currencies within the European Monetary System caused some degree of uncertainty...

FT LONDON INTERBANK FIXING

Table showing interbank fixing rates for various currencies.

MONEY RATES

Table showing money market rates for various currencies.

LONDON MONEY RATES

Table showing London money market rates for various currencies.

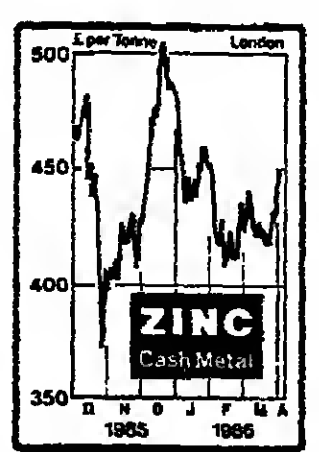
UK clearing banks base lending rates 1 1/2 per cent since March 19

The Bank of England forecast a shortage of around £500m of bills in band 3 at 1 1/2 per cent. The forecast was later revised to a shortage of around £400m...

REVIEW OF THE WEEK

Coffee market in bearish mood

THE COFFEE market was in one of its bearish moods this week and even Thursday night's news that the US had decided not to pull out of the International Coffee Agreement (ICA) was not enough to halt the slide in prices...



US MARKETS

Volatility in the oil markets eased initial losses in the precious metals, as reports of the US's wishes to see a free market stabilisation were being digested in various quarters...

NEW YORK

ALUMINIUM 40,000 lb, cents/lb. April 5 5025 -5015 -5015 -5015. May 5470 5460 5470 5470.

GRAND TOTAL 15,000 lb, cents/lb

Table showing Grand Total prices for various commodities.

HEATING OIL 42,000 US gallons, cents/US gallon

Table showing Heating Oil prices for various months.

PLATINUM 50 Troy oz, \$/Troy oz

Table showing Platinum prices for various months.

SILVER 50,000 Troy oz, cents/Troy oz

Table showing Silver prices for various months.

SUGAR WORLD 111, 112,000 lb, cents/lb

Table showing Sugar World prices for various months.

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

Table showing Live Cattle prices for various months.

LIVE HOGS 30,000 lb, cents/lb

Table showing Live Hogs prices for various months.

PORK BELT 19,000 lb, cents/lb

Table showing Pork Belt prices for various months.

SOYBEAN MEAL

Table showing Soybean Meal prices for various months.

SOYBEAN OIL

Table showing Soybean Oil prices for various months.

SOYBEAN MEAL

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SOYBEAN MEAL

Table showing Soybean Meal prices for various months.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Metals, Grains, etc.

BASE METALS

Table showing base metal prices for various metals.

ALUMINIUM

Table showing aluminium prices for various grades.

COPPER

Table showing copper prices for various grades.

GOLD

Table showing gold prices for various types.

LEAD

Table showing lead prices for various grades.

NICKEL

Table showing nickel prices for various grades.

SILVER

Table showing silver prices for various types.

TIN

Table showing tin prices for various types.

INDICES

Table showing various indices like Financial Times, etc.

REUTERS

Table showing Reuters market data.

DOW JONES

Table showing Dow Jones index data.

SOYABEAN MEAL

Table showing Soyabean Meal prices.

GRAINS

Table showing grain prices for various types.

WHEAT

Table showing wheat prices for various grades.

ZINC

Table showing zinc prices for various grades.

COFFEE

Table showing coffee prices for various types.

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Table showing coffee prices for various types.

COFFEE

Table showing coffee prices for various types.

RUBBER

PHYSICALS - The London market traded on lower levels throughout the day on lack of buying interest...

MEAT

Pigmeat sales: 51 (35) lots of 50 carcasses, 16 (10) lots of 20 sides.

OIL

Threats of an oil workers strike in Norway generated demand for very prompt North Sea crude and prices rose by more than a dollar a barrel.

FREIGHT FUTURES

Reata felt sharply over both sessions today, reacting to news that the US had no fresh news to offer, but was stable on oil prices, reports stable.

SPOT PRICES

Table showing spot prices for various commodities.

CRUDE OIL

Table showing crude oil prices for various grades.

GAS OIL FUTURES

Table showing gas oil futures prices for various months.

SUGAR

Table showing sugar prices for various months.

POTATOES

Table showing potato prices for various months.



MARKET REPORT

Two new big takeover bids ensure continuation of speculative activity in equity market

Account Dealing Dates

Table with columns for 'First Declared', 'Last Account Dealings', and 'Dealings Day' for various months from Mar to May.

London markets remained in the grip of bid fever yesterday and the temperature rose noticeably in the financial sector during the mid-afternoon. This followed the surprise announcement that main clearer Lloyds Bank had approached Standard and Chartered with a view to a recommended offer of 750p per share.

Speculative activity was the outstanding feature from the morning business opened. Store shares ran into considerable profit-taking after Thursday's heavy trade on possible repercussions of Dixons' attempt to take over Woolworth.

Other blue chip issues began the session lower in sympathy with the last-hour slide on Wall Street. Many stocks encountered a flurry of profit-taking after their sustained five-day advance but the sales made only a token impact.

The broader-based FTSE 100 share index registered a loss of 8 points, settling a net 7.9 lower at 1007.3.

The suspension of Central Bank trading within the EMS system, pending a meeting this weekend which could lead to a realignment of intervention levels, upset the market in gilt-edged securities.

Midlands jump Having been in the doldrums throughout the week on concern about US banks' energy loan portfolios, the clearing banks revitalized by Lloyds' approach to Standard Chartered, investors searched for the next bid candidate within the sector and Midlands recently rumored to be on BP's shopping list, came in far aggressive speculative support which brought a close of 45 up on the session at 553p.

830p. Barclays closed 10 better at 548p, after 530p, and NatWest added the same amount at 900p. After 870p, Evershed, Mercury Securities jumped 30 more for a two-day gain of 90 at 950p on continued speculation surrounding the Saul Steinberg's stake in the company, stockjobbing concern Akroyd and Smithers rose 20 to 770p in sympathy.

Vaux Breweries jumped 45 more for a week's advance of 105 at 535p, after 540p, as speculation about a bid from Plassaras intensified. Distillers rose 24 to 709p, after 710p, following comment on the later developments in the bid situation; Guinness, which announced late on Thursday that it would not be increasing its offer, closed 10 dearer at 457p, while rival suitors Argyll Group closed unaltered at 348p.

Buildings presented a mixed appearance. Cement producers, particularly firm of late reflecting the pending 4 per cent cement price increase, encountered profit-taking initially, but subsequently steadied. Blue Circle settled 8 off at 688p, after 683p, and Ragby Portland Cement were finally a couple of pence cheaper at 187p, after 185p, after results are due on Monday. Elsewhere, George Wimpey shed 6 to 167p as bid hopes faded, while Barrat Developments eased 2 to 167p.

Other Foods were overshadowed by bid events, but United Biscuits, currently involved in a battle with Hanson Trust for control of Imperial Food, attracted late speculative demand and closed 5 up at 268p.

Hotels encountered profit-taking following cautious Press comment. Grand Metropolitan came back 12 to 418p, and Trusthouse Forte shed 7 to 187p. Mount Charles lost 5 to 583p, but Kennedy Brookes continued to trade firmly and gained 9 more to 283p in a limited market.

Beecham were prominent at 386p, up 18, after 300p, on strong buying including traded option activity amid a revival of takeover rumors. Other leading miscellaneous Industrials included lower before recovering to settle only a few pence easier on balance. Recidit and Colman, however, encountered profit-taking after the previous day's rise of 64 off the preliminary figures and fell 15 off on the day at 855p. Elsewhere, Standard Fireworks ended 25 higher at 140p, after 150p, following news of the bid approach, while Exel gained 12 to 409p in response to the revised offer from Deminger Corporation. Dealings were suspended in British Sydon, at 140p and Marshall's Universal, at 85p, up 5 and 7 respectively; it was announced later that discussions are taking place which may lead to an agreed offer by Marshall's for British Sydon at 370p. Demand led Bestobell 25 to the good at 370p and Marley 4 higher at 120p, after 125p. Sharma Ware, in contrast, fell 5 to 48p on the bigger annual loss. Profit-taking clipped 20 off Parkfield Group at 460p and left Pentland Industries 15 cheaper at 307p. Reuters eased 10 to 455p on the announcement that United Newspapers had sold its entire holding in the former; United hardened 5 to 349p.

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News that exports of Jaguar cars topped the £500m for the first time last year and demand leading Engineers showed little alteration. Elsewhere, Weir Group moved up 9 to 123p on further consideration of the preliminary statement, while British Steel gained 29 more to 245p in a thin market. Specialty demand left Richardson and Weighart 7 1/2 dearer at 46p and prompted a rise of 14 1/2 to 43p in Aurora.

For the cars still exceeds supply failed to stimulate Jaguar which dipped 5 more to 43p.

In motor components, the terminated bid discussions prompted a sharp retreat in Jonas Woodhead, 8 cheaper at 45p. T. Cowie lost a similar amount at 185p.

FP group Good Relations sprinted 15 to 168p, after a record 179p, following the announcement that the company is in the early stages of merger discussions with an unnamed group. Valia Polien International, unchanged at 190p, were suggested a possible suitor. Frostmations House, already in receipt of a bid worth in excess of 30p a share, moved up 4 1/2 to 36p.

The Property leaders continued to drift lower on lack of support. MEEPC lost 8 at 340p and Land Securities softened 3 to 513p. Secondary issues continued to feature Abaco which traded in lively fashion and touched 53p before closing unchanged on balance at 50p; the shares have risen 13 this week on speculation that the company will announce a takeover deal and yesterday the board denied that it had received any bid approaches. Elsewhere, London and Edinburgh rose 20 to 730p ahead of next Tuesday's preliminary results, while revived demand in restricted markets lifted Peel Holdings 35 to 520p and Asda Property 10 to 290p. Land Investors firmed 2 to 65p on takeover bones, but recently-firm Takeover shed 15 to 525p following profit-taking.

Shell House, still reflecting the strong profits recovery at Omnehemmer, advanced 13 afresh to 335p, while revived takeover hopes helped Exco move up 12 to 237p.

The threatened strike by Norwegian North Sea oil workers and the OPEC meeting to be held in Geneva on April 15 helped crude oil prices move ahead and leading oil shares gradually improved from earlier opening levels.

RP rallied from an initial 585p and touched 585p before ending the day only a shade off on balance at 583p, while Shell eased 8 down to 789p. Britoil hardened 8 to 180p, after 180p, as did LASMO, 142p, but Tricentral, where Trafalgar House recently announced a 5.9 per cent interest, lost 3 to 186p.

Second-listers showed Gold Petroleum 2 cheaper at 28p following news that Premier Consolidated has increased its stake to 12 per cent and is seeking to instal Premier chairman Mr. E. Shaw as the chairman of directors. Patridge remained a firm market and rose 3 to equal the 196p high of 28p while New London Oil staged a strong rally and closed 8 up at 33p. Bid speculation continued to boost IC Gas which advanced 6 more to 385p, after a year's best of 395p.

65; RTZ's preliminary results are scheduled for next Thursday.

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South African sectors of mining markets ended a generally quiet week on a subdued note. Bullion edged up 32 to S335.25, but remained 88c easier over Beecham in the leaders. Anglofontaine, 52 1/2, Witbank, 112 1/2 and Libanon, 110 1/2 were all around 1/2; Armer, Vaal Reef, on the other hand, succumbed to profit-taking and lost 2 to 247 1/2.

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Table with columns for 'Highs and Lows' and 'SE Activity' showing price movements for various sectors like Govt. Secs, Fixed Int., Ordinary, and Gold Mines.

Table with columns for 'Leaders and Laggards' showing percentage changes since December 31, 1985 based on Thursday, April 3, 1986.

Table with columns for '4-Day Active Stocks' showing stock names and percentage changes over a four-day period ending Thursday.

Table with columns for 'Traditional Options' showing first, last, and last declared dates for various options.

Table with columns for 'New Highs and Lows for 1986' listing various stock categories and their current prices.

Table with columns for 'Yesterday's Active Stocks' showing stock names and percentage changes from the previous day.

Table with columns for 'Rises and Falls Yesterday' showing stock names and percentage changes from the previous day.

Large advertisement for 'Warrant' featuring a stylized logo and text.



STOCK EXCHANGE DEALINGS

Table of stock exchange dealings including various company names and their respective share prices.

Table of stock exchange dealings, continuing from the previous section with more company names and prices.

Table of stock exchange dealings, continuing with further company listings and market data.

Table of stock exchange dealings, continuing with more financial information and company names.

Table of stock exchange dealings, continuing with additional company names and market prices.

Table of stock exchange dealings, continuing with final company listings and prices.

AUTHORISED UNIT TRUSTS

Table listing authorized unit trusts, including names like Abbey Unit Trust, Allied Banker Unit Trusts, and various other investment vehicles.

FT UNIT TRUST INFORMATION SERVICE

Large table providing detailed information for various unit trusts, including names, managers, and performance metrics.

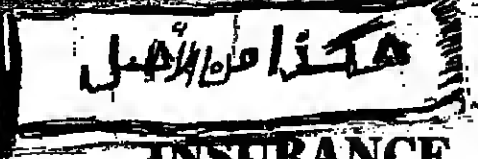
NEW TRENDS IN TRADE FINANCE
Trade finance techniques are responding to rising demand for trade credit with more flexibly tailored instruments and products...

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INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and financial products, including company names, fund names, and numerical values.

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Vertical text on the right edge of the page, possibly a page number or additional information.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas financial products, including company names, fund names, and numerical values.

TRADITIONAL OPTIONS

Table listing traditional options, including 3-month call rates and various financial instruments.







INDUSTRIALS - Continued

Table of industrial stocks including companies like British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and change.

INSURANCE

Table of insurance stocks including companies like British American Insurance, Commercial Union Assurance, and others.

LEISURE

Table of leisure and entertainment stocks including companies like British Skyways, British Telecom, and others.

LEISURE - Continued

Table of leisure stocks including companies like British Skyways, British Telecom, and others.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Leyland, British Aerospace, and others.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks including companies like News International, Newsprint, and others.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including companies like Newsprint, Newsprint, and others.

PROPERTY - Continued

Table of property stocks including companies like British Land, British Land, and others.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Leather, British Leather, and others.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo American, Anglo American, and others.

TEXTILES

Table of textile stocks including companies like British Textiles, British Textiles, and others.

TOBACCO

Table of tobacco stocks including companies like British American Tobacco, British American Tobacco, and others.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Trustee, British Trustee, and others.

INVESTMENT TRUSTS - Cont.

Table of investment trusts including companies like British Investment, British Investment, and others.

FINANCE, LAND - Cont.

Table of finance and land stocks including companies like British Finance, British Finance, and others.

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OIL AND GAS

Table of oil and gas stocks including companies like British Petroleum, British Petroleum, and others.

MINES - Continued

Table of mine stocks including companies like British Mines, British Mines, and others.

Central African

Table of Central African stocks including companies like British Central African, British Central African, and others.

Australians

Table of Australian stocks including companies like British Australia, British Australia, and others.

Miscellaneous

Table of miscellaneous stocks including companies like British Miscellaneous, British Miscellaneous, and others.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like British Overseas, British Overseas, and others.

PLANTATIONS

Table of plantation stocks including companies like British Plantations, British Plantations, and others.

TEAS

Table of tea stocks including companies like British Tea, British Tea, and others.

Central Rand

Table of Central Rand stocks including companies like British Central Rand, British Central Rand, and others.

Eastern Rand

Table of Eastern Rand stocks including companies like British Eastern Rand, British Eastern Rand, and others.

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Table of Far West stocks including companies like British Far West, British Far West, and others.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including companies like British Regional, British Regional, and others.

Recent Issues and Rights Page 13

Text providing information about recent issues and rights, including details on company announcements and market activity.







# WEEKEND FT

Saturday April 5 1986

MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV

Colin Amery and David Dodwell report as the world's most expensive building opens

## Monument to money

SIR EDWARD YOUNG, Hong Kong's Governor, stood on the veranda of Government House looking north over the garden, towards Victoria Harbour. "A hundred years ago, it's said the Governor could stand here and measure the wealth of Hong Kong by the number of ships he could count," he observed. "Today, I count the banks." In fact, he has no choice. His view of the harbour is blotted out by banks—and none more so than the space-age edifice that towers above him, the new headquarters for Hong Kong and Shanghai Banking Corporation.

If Sir Edward needed a quick measure of Hong Kong's wealth, then he need look no further than this controversial building. It is almost certainly the world's most expensive, and conceptually one of the most radical ever. It is a monument to a bank that ranks among the world's top 20.

When it is officially opened on Monday, to the strains of the Coldstream Guards and with more than 30,000 people invited to the celebration, the sign-off construction cost will have been HK\$5.4bn (about £465m). Adding in professional fees and the financing costs that would have had to be borne by anyone except a bank, there would be little change out of HK\$6bn (£500m).

"We have a building that cost much more than we reckoned it would," said Michael Sandberg, who this autumn will stand down as chairman of the bank. "But we do have a fabulous building."

Approaching the new bank is a curious sensation. After passing the sentinels that guarded the old head office, you are in a wind-swept plaza straddled by the soaring glass and aluminium tower. You step on to a silver escalator that glides up into the sagging belly of the building. Suddenly, you are in the grey atrium, and immediately the nature of the place is revealed.

Looking up some 150 ft you see, flanking the great space, the colossal steel towers that support the whole edifice. As with one of those anatomical human models with a glass skin, all of the innards are there to be seen. Towering columns and giant cross-braces join open galleries, from which you can just hear the clatter and hum of a silver engine devoted to making money. While critics have complained that this monument to commerce is an outstanding example of corporate extravagance, none would deny it is an extraordinary building.

commercial client willing to act in the manner of a patron, with a strong commitment to the advancement of architecture. To understand how the Hong Kong bank came to assume this role, it is important to recall its history and the Klondyke mood that pervaded the Crown Colony late in the 1970s.

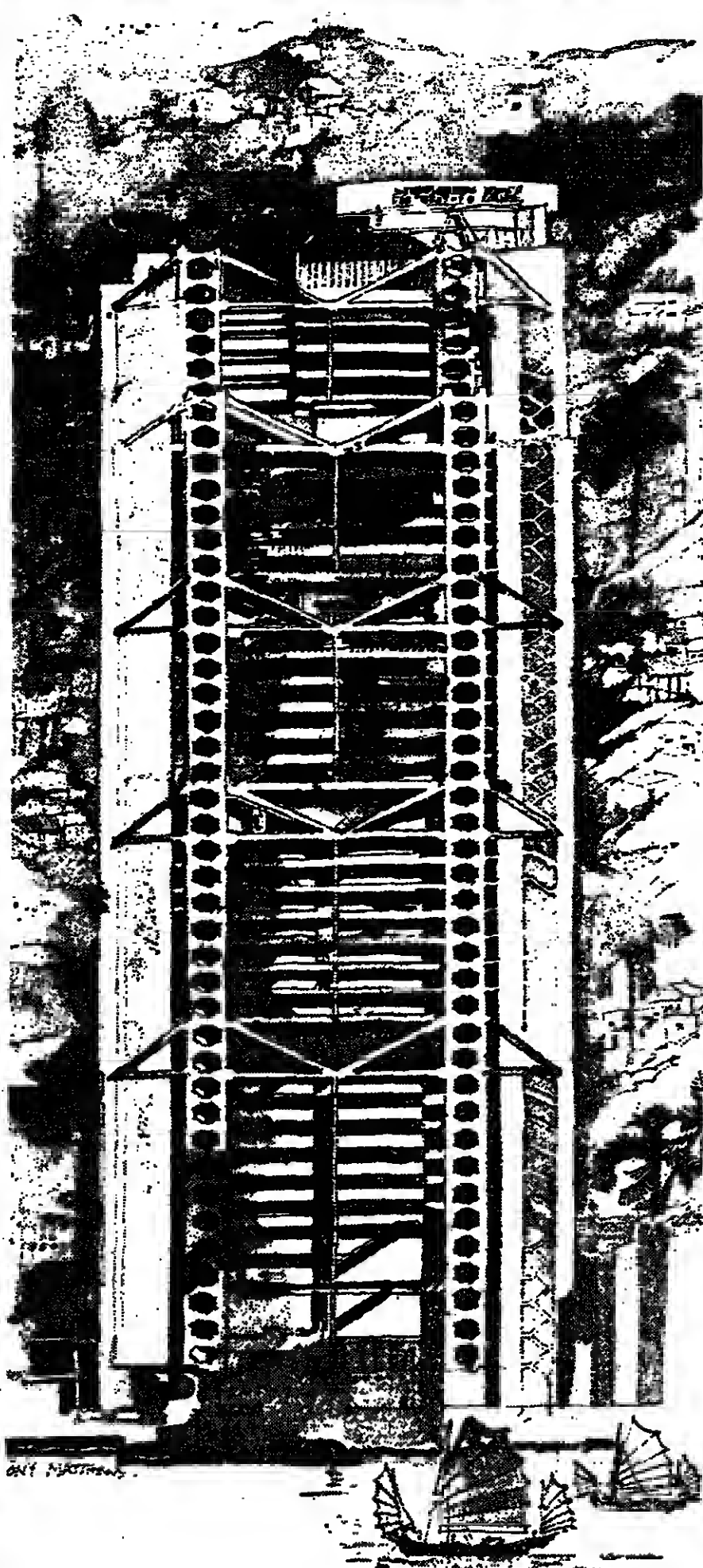
The Foster building is the fourth Hong Kong and Shanghai head office to occupy the site at No. 1 Queen's Road, Central. The bank's first purpose-built headquarters was designed in 1982 by 23-year-old Clement Palmer. The waterfront building completed four years later had a schizophrenic air—broad verandahs and an exuberant domed banking hall—road full of late 19th century colonial pomp. When the time came at the end of the 1920s to consider rebuilding, the brief was simple. Chief manager Sir Vandalear Grayburn called on architects Palmer and Turner to "build us the best bank in the world."

Opened in 1935, it was 220 ft high—the tallest structure between Cairo and San Francisco. At its heart was a magnificent banking hall with a barrel vault lined in mosaics. With high-speed lifts, air conditioning and tailor-made office furniture, it was in its time a pioneering bank building.

However, the growth of Hong Kong's importance as a financial centre was to make this building inadequate by the 1970s. Once again, the bank needed to redevelop one of the most central and valuable sites in the colony so as to bring the latest technology to bear on day-to-day activities. Sandberg recalls: "When I arrived in 1949, the bank was all of 22 stories, and twice the size of any building in Hong Kong. By the mid-seventies, we were bursting at the seams." There had to be a new one but "we were taking down a landmark, one that was dear to the hearts of Hong Kong, and we didn't feel we could replace it with a concrete shoe-box."

To continue its tradition of adventurous patronage, the bank held a series of technical consultations at the end of 1978. At that time, the board was prepared to consider a partial redevelopment retaining (for sentimental reasons) the original landmark tower. It was also prepared to look at the idea of phase redevelopment: in June 1979 a short-list of architects was announced. Skidmore Owings and Merrill and Hugh Stubbins represented the US; Foster Associates and York, Rosenberg, Marcell and the UK; Palmer and Turner were again there for Hong Kong, while Harry Seldier and Yuncken Freeman came from Australia.

At that time, Foster Associates was well known for its interest in developing what has come to be called high-tech architecture. It succeeded brilliantly with a small headquarters building in Ipswich, England, for the insurance firm



Willis Faber Dumas. This looked like a brown glass grand piano—a completely glass-walled building with a roof garden and escalators for circulation through the four floors.

The announcement on November 19 1979, that Foster Associates had won came as a surprise to the architectural world. It was a bold decision. Foster was not renowned for big projects although he was known to be fascinated by thinkers like Buckminster Fuller as well as the ideas of flying, speed, and the imagery of 20th century technology. Not all of his buildings had been particularly successful; there were, for example, some very discontented residents in Milton Keynes, the new town on the north-western edge of London. Above all, it was clear to anyone who followed his career that Foster was pre-occupied with design development. He saw his buildings as prototypes that would develop both structural ideas and the use of materials in new ways.

The original Hong Kong design concept—of a bridge-like structure—survived intact to the finished building. Two parallel rows of four steel masts provide the main vertical structure. From these, two-storey-high suspension trusses span the building at five levels, and from these the floors are suspended. The steel masts carry the superstructure, allowing the ground level to be free of columns. The whole arrangement removed the need for a central core, and allowed an atrium above the main banking hall high enough to fit Amiens Cathedral.

Foster was keen to get away from the concept of a tall building where everyone depends on lifts. His 23 high-speed lifts stop only every five floors. If you want to reach a floor between stops, you take escalators either up or down. Foster's idea is of a single tower as a series of "villages" in which people meet all the time as they move about. This means there are escalators more than in any other single building in the world. With no central service core, plant and lavatory "modules" service every floor. These were made in Japan, delivered complete, and simply plumbed-in. Visiting a lavatory is like going to the loo on a plane.

The floors, too, are purpose-made and modelled on the panel floors of an aircraft. A grid of services covers each of them—air conditioning, power, telecommunications and computer links are accessible from almost every point. Floors are covered with marble, carpet or composition can be raised like tiles. Air is blown up through grilles. This exceptional flexibility came only at a price, and is one of the reasons for the extraordinary cost of the building.

The late 1970s in Hong Kong provided the perfect setting for the incubation of such Napoleonic ambitions as the bank project. The property and stock markets were booming and companies were getting rich at a giddy pace. In January 1982, Vickers da Costa, a stockbroker now owned by Citibank, recommended investors to buy Hong Kong and Shanghai shares. "There are few international investments which offer a more satisfying geographical spread, are backed by such a fine profit record over such a long period, and possess such prospects for further development of the business," it said in a 46-page report on the bank.

Wimpey joint venture was appointed management contractor.

From the start, it was clear that this revolutionary building was going to be expensive. What does not appear to have been realised was that the "dynamic design approach" would prove so uncontrollable when it came to costs. Nor did anyone realise how the mood in Hong Kong would change. By late 1982, with the UK and China about to take up cudgels on the colony, fate once Britain's lease ran out in 1997 many were hitting panic buttons. The property and stock markets were crashing and the currency was under assault. The Hang Lung Bank was soon to collapse as was the Carrion Group which was eventually put into liquidation. It was understood to have debts of HK\$10bn (£862m). The Hong Kong and Shanghai and its merchant subsidiary, Wardley, had been active in fuelling Carrion. Their image was hurt because of the collapse, as was their wallet.

Not surprisingly, therefore, the discovery that an order from British Stear in the UK was going to have to be revised, at an additional cost of US\$2m, prompted members of the Hong Kong bank board to press some panic button of their own. The costs of the building appeared to be soaring out of control. A special sub-committee was set up to review the project and construction was of consulting engineers, was hired to carry out a technical audit. Its report put the basic costs of the building at HK\$3.2bn (£275m) with an additional job HK\$1.8bn (£162m) arising from "special costs to the banking operation."

Speculation became rife about the real costs; as the Pell Frischmann report was not released by the bank, rumours thrived. What was made public at this crucial time was that real control of the project design was to be transferred from the architect to a contract administrator. Pell Frischmann blamed rising costs on Foster's "design development and concept, but this has been defended by the bank as a risk it implicitly agreed to take. "Speed was essential," Sandberg recalled last week.

If Norman Foster ever came close to seeing his dream of a modern architectural monument shattered, it was at this point. "The options we faced were not very palatable," Sandberg said. "We could have a hole in the ground for many years, and could start taking out lawyers' suits that we almost certainly coughed not work, or we could go forward." Wheloye was resumed three months later. local consulting engineer, Ron Mead, has been appointed as project co-ordinator to pull the project back on to clearly defined financial rails. From that point, all contractors were forced to open local offices, all contracts went out to tender, and all corners that could be cut were cut.

Despite this, the final cost is difficult to justify—and could be all the more difficult in 1988 when the Bank of China 72-storey headquarters opens. Designed by the Chinese-American architect I. M. Pei, it is expected to cost HK\$1.2bn (£103m).

With the new edifice now occupied, almost fully, the Hongkong and Shanghai can claim to be at the technological forefront of world banking. Foster's building is a monument to international telecommunications and computer technology.

Sir Edward Youde puts it this way: "Most buildings in Hong Kong are made of either concrete and glass or concrete—but this one is an engineers' building." He says he likes it. One can only hope his Chinese successors after 1997 will feel the same way.

### The Long View

## New York starts to get the message

THE STRANGE outburst from Vice-President George Bush this week, in which he seemed to reproach the Saudis for injuring American oil interests, could prove to be something of a psychological landmark in the present bull market. For the first time, someone with the authority of the Administration has pointed to the rather large cloud in the centre of the silver lining that has been dazzling Wall Street. At the same time, the American business press, which sometimes seems a good deal more thoughtful than much of our own, has been finding other sources of worry, such as the weak trend of US car sales and the fact that weak commodity prices usually signal a weak economy.

These returning signs of a sense of proportion, to put it no higher, are very welcome. They come at a time when Wall Street values are still rationally defensible, if you believe the more optimistic economic forecasts. This means that if the fundamental consensus shifts, the market can still make a rational correction rather than collapsing in outright panic.

The London market, supported as it is by the efforts of future market-makers to acquire some stock-in-trade, continues to treat all news as good news. Sterling falls: that is good for profit margins. It rises again: that means lower interest rates. Oil prices fall: lower costs. They rally: buy sterling and oil shares. This is irrational optimism, and a vivid long-term danger sign.

If you want to stay rational, you must not brood unduly about the manic-depressive psychosis of the real world—instead about the real world—the one which has finally imbedded on Vice President Bush, a perfectly reasonable for Mr. Bush to worry about the danger that the oil price will fall into single figures: that

For the first time, says Anthony Harris, someone with the authority of the Administration has pointed to the rather large cloud in the centre of the silver lining that has been dazzling Wall Street.



would injure not just the fringe operations of the US oil industry but major ventures such as the North Slope in Alaska in which gigantic capital is tied up and which could no longer cover even their running costs. The oil price fall, which has already been drilled in the US by half and seems likely to cut oilfield investment by a similar proportion—cutting total US growth by half a point straight away—would then cause financial mayhem.

The fantasy appears when Sheikh Yamani, as a reasonable man, to do something to stabilise the market and so save the US Administration a lot of trouble. This is silly because, as I have pointed out before, Sheikh Yamani's strategy is de-

signed to cause pain to producers outside Opec, as he has been kind enough to explain over and over again. He would be delighted to talk about stabilising the market if everyone else would talk about it; otherwise, he will simply drive the high-cost producers out of business and restore the power of Opec by that means.

This could be a very messy solution, leading first to large financial failures and heavy cuts in oilfield investment (not least in the North Sea) and then to a new oil famine a few years ahead. The Moslem oil states are probably ruthless enough to impose it, all the same, falling anything more reasonable.

It was the hope of a reasonable solution, surely widely premature at this stage, which the London market chose to celebrate. The reasoning, such as it is, means to assume that this signal from Washington would change the world. Mexico, very much of a US client state, would talk production cuts with US blessings while the oil majors would respond with massive stockbuildups and might even do what Mrs Thatcher resolutely refuses to do—discuss long-term production schedules for their installations in the North Sea and elsewhere.

What seems likelier, however, is that so far as the Vice-President meant anything, he meant to warn the Saudis that America might be compelled to protect its own industry and banks with an oil import tax, which would make the oil price weaker in the rest of the world; and that the oil majors will continue to play it by ear.

There are two reasons for this view. Politically, a sur-render to Opec's demand for world market-sharing looks improbable; in any case, part of the Saudi strategy must be to give a clear enough demonstration of market power to make investors very hesitant about financing high-cost production in

future. The second is the economic background. Oil is not the only commodity whose price is falling. Nearly all raw materials are weak markets, even measured in rapidly depreciating dollars.

The persistent weakness is worrying some erstwhile optimists in New York, who argue that weak demand for commodities must mean a weak economy, as it always has in the past. That is quite persuasive on the face of it, but it is an analysis which needs a lot of footnotes.

I can allow space for only a few. First, it is hard to square the weakness of commodities with recent figures for world growth. They are not dramatic, and in the poorest countries, where output is now rising more slowly than the population, growth is grimly inadequate. There is no recession, though, and businessmen in the developed world remain broadly optimistic.

There must then be some important change in the structure of demand; and two such changes are obvious. Consumer demand is increasingly for services and for miniaturised things. If you measured GNP by tonnage rather than value, it would probably show a steep downward trend. Second, we are still in a period of very high real interest rates, and that cuts tonnage further—less construction, almost no ships or power stations. The plight of the truck industry tells you what is happening to tonnage.

Remember the silver lining, though: persistently cheap commodities should mean consistently low inflation and much lower interest rates. If we can reach that goal smoothly, well and good. There is still much more danger in the financial system, with its feverish greed and silly risks, than in the real world; so when Wall Street worries about the real world, I begin to sleep a little more soundly.

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## TWO GREAT TRADITIONS IN ONE RACE

1984 brought together two traditions. Ever since 1837 names like Becher's, Valentine's and the Chair have become synonymous with the world's greatest steeple chase.

When in 1984 the 'NATIONAL' came under threat it was fitting that SEAGRAM should decide to help save this famous event.

In its own field, SEAGRAM has many famous traditions represented by brand names like THE GLENLIVET and CHIVAS REGAL from Scotland, MUMM CHAMPAGNE from the caves of Reims, SANDEMAN PORT and SHERRY from Portugal and Spain, and CAPTAIN MORGAN RUM from the Caribbean, not to mention other famous brands such as WHITE SATIN GIN, 100 PIPERS SCOTCH WHISKY and PAUL MASSON CALIFORNIA WINE. These names are all part of SEAGRAM, a company that care deeply about heritage and integrity and who are proud to combine their own long-tested traditions with the most famous event in National Hunt Racing.

THE SEAGRAM GRAND NATIONAL.




Last Suspect Winner 1985

## SEAGRAM

The spirit behind the 'National'



MARKETS

Prices thunder ahead as bids keep coming

A RISE of a fifth over the past three months must rank as one of the most formidable advances...

port and scotch markets in particular. The acquisition of the Canadian operation takes Allied a long way down the road...

Dixons, in contrast, has the financial clout to swallow Woolworth though it will need to sweeten its £1.75bn equity offer...

London

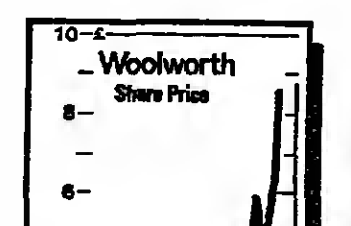
The high level of bid activity has been one of the prime motivators of Hiram Walker's strength...

So although the profits performance of Hiram Walker has been exciting in recent years and Allied leaves itself open to the criticism that it is buying itself a mature ex-growth business...

There is the possibility of a rival bid and Woolworth's advisers will presumably undertake the quest to find a white knight...

That still leaves unanswered the all important question of how Allied intends to pay for its prize. If it takes on debt the balance sheet might look strained...

There does not really seem too many obvious candidates to rival Dixons in the UK and while some US executives might enlunge at the challenge...



More likely, however, is that an enormous rights issue will be launched, that could also make Allied an indigestible mouthful for the Australians.

MARKET HIGHLIGHTS OF THE WEEK

Table with columns: Price, Change, 1986 High, 1986 Low. Lists various companies like BT Ordinary Index, Altabco Investments, Associated British Ports, etc.

Aberdeen succumbs to gravity

ABERDEEN Steak Houses, the restaurant chain with 28 eateries in central London, defied gravity when it came to the USM last summer...

Its critics, then, must have found it hard to resist a gleeful smirk on Thursday: for when the figures for the year to December came out, they showed that a serious downturn in the second half had left profits at just £213,000...

The figures were all the more disappointing in the light of the first-half performance, when profits surged from £120,000 to £222,000.

There were several factors behind the adverse publicity which marred Aberdeen's flotation. One was the background of the company's chairman, Alib Salih, whose previous company, London Eating Houses, went into liquidation in 1975...

Clearly, something went wrong in Aberdeen's second half. Stephen Cockburn, the non-executive director speaking

USM UNLISTED SECURITIES MARKET

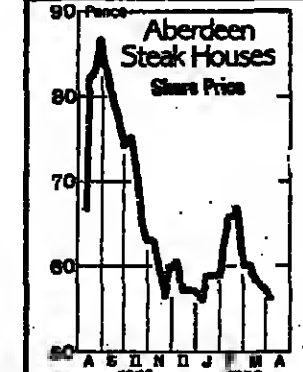
Suleiman's departure out of court last month for £450 and asserts that total claims for underpayment of wages—amount to only £16,174.

The most important issue as far as investors are concerned is Aberdeen's alarming fall-off in turnover growth.

Profits raced ahead in the first half because turnover rose by 40 per cent, but in the second half turnover growth fell to 14 per cent in spite of the fact that three new restaurants were opened.

Clearly, something went wrong in Aberdeen's second half. Stephen Cockburn, the non-executive director speaking

and domestic property, which are expected to show much higher underwriting losses.



for the company this week, offered several explanations such as a fall-off in tourist spending because of the rising pound, distractions to management caused by the flotation, and adverse publicity over the legal actions; but these alone do not seem adequate to explain the sudden decline in turnover growth.

Two other possibilities are worth exploring. One is that with 28 restaurants — most of them steak houses — concentrated in London's West End, Aberdeen has reached saturation point in its density of coverage.

Aberdeen certainly has no intention of throwing in the towel; it is in the process of opening another three restaurants and talks of encouraging signs in trading so far this year in spite of the poor weather in February. As a high-flying leisure stock, however, the company is proving a big disappointment.

Among the other major companies reporting full year figures next week are GLYN-WED on Monday, SPIRAX-SARCO ENGINEERING on Wednesday, and J. MOWLEM on Thursday.

RTZ gets a boost from oil

IT SEEMS odd that with oil trading at \$10 a barrel that energy should be responsible for a 5 per cent rise in 1985 net profits to £220m expected from RIO TINTO-ZINC, which reports on Wednesday.

The fall in the oil price is, however, only starting to hit now, whereas the 1985 advance is due mainly to the inclusion of Enterprise for 12 rather than six months. Currency movements have not been favouring RTZ. Falls in the values of the US, Canadian, Australian and South African currencies will all have hunted good advances of subsidiary companies in local currencies. Most important will be the effect of the US dollar on translating profits of Borax the largest contributor to group profits which may well be lower measured in sterling.

RTZ's metals division should not be badly scarred by the tin crisis as tin accounts for a tiny part of the whole, and in any case much of RTZ's tin had been sold forward.

SMITHS INDUSTRIES interim results for the six months to January, a 14m increase to £24m is expected on Wednesday, should confirm the City's expectation that the group earnings growth is on track for 20 per cent this year.

The quality of earnings from SI has improved markedly in the market's view since the cutting of the final links to the motor industry and South Africa in November. Other disposals plus the strong balance sheet have given further support to the stocks premium rating in the sector.

Falling oil prices has helped bring confidence back to the civil aviation industry and this in turn is good news for Smith's aerospace related activities.

Medical Systems will show some benefit from recent acquisitions although much needs to be done on the inherited level of margins before the contributions can really take off. The industrial division has been a consistent performer although some units must now be considered mature and in need of cutting back.

The UK construction market is not as happy place to be at the moment as vicious competition is resulting in shrinkage margins. Consequently JOHN

LAING, which announces its preliminary results on Thursday, is expected to show a meagre advance to £32m (£30.2m) with the contribution from building and engineering, the largest part of the group, below last year's figure.

Meanwhile the group's house-building is going well and should turn in profits of £12m (£8.5m). Housing completions relating to the last debt of Laing's Saudi Arabian associate.

The market is bracing itself for a lacklustre set of results when RUGBY PORTLAND CEMENT unveils preliminary

profits of around £20m on Monday. As a Southern-based cement company, Rugby usually shrugs off the worst excesses of wintry weather, but in 1985 the weather was worse in the south than the north and, although demand recovered towards the end of the year, sales suffered badly.

In the first half Rugby was bailed out by overseas earnings, but in the second, the weakness of its core currencies, the US and Australian dollars, wiped £2m or £3m of these results.

NEXT hasn't disappointed the City since George Davis' takeover bid. Next, however, by a busy Christmas, bucked the downward trend. Next for Men continued to grow and even the rump of the old Hepworth chain — now reserved for remainered lines—made a slight contribution.

Development of Next Interiors has been slower than expected, especially in the north. But the Next design team has tempered the drear

from Superhomes should also be higher. The trading advance will be partly offset by a lower interest figure as Laing's pile of cash has dwindled from about £84m last year to about £50m. Below the line there will be a provision of between £5m and £10m relating to the last debt of Laing's Saudi Arabian associate.

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Results due next week

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INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

Table with columns: Quoted rate %, Compounded return for taxpayers of 29%, 45%, 60%, Frequency of payment, Tax (see notes), Amount invested, Withdrawals (days). Lists various financial products like CLEARING BANK, BUILDING SOCIETY, NATIONAL SAVINGS, MONEY MARKET ACCOUNTS, BRITISH GOVERNMENT STOCKS.

Table with columns: Company, Announcement, Dividend, Last year, This year. Lists various companies and their dividend details.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Table with columns: Company bid for, Value of bid per share, Market price, Price of bid before, Value of bid after, Bidder. Lists various companies and their takeover bids.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit, Earnings per share, Dividends per share. Lists various companies and their preliminary financial results.

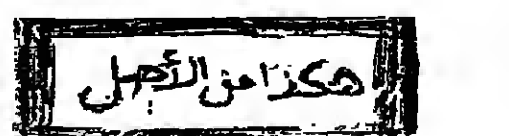
INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit, Interim dividends per share. Lists various companies and their interim financial statements.

OFFERS FOR SALE PLACINGS AND INTRODUCTIONS

Feel—Raising £25m through the issue of debenture stock.

Advertisement for TOURISM FT FINANCIAL TIMES CONFERENCE. Includes text: 'The Prospects for TOURISM in Britain', 'Financial Times Conference Organisation', '22 & 23 April, 1986'.





# Industrial sector saves the day

THE Australian share market has managed to power its way through the increasingly grim realities of the economy this year with the overall market indicator slugging off high interest rates, a ravaged rural sector, and disarray on the energy front.

The real impetus for the 13 per cent rise in the broad market indicator, the All Ordinaries Index, to 1,150 points, has come from the industrial sector which is up 24 per cent, or 350 points, since the start of the year and is moving almost daily to new highs. Strong earnings and better prospects for a number of industrial companies in the index weightings has helped, with the single largest influence being the substantial re-rating of the banking sector.

From the start of the year, the banks' index has leapt 33 per cent to 1,730 points with the three majors—Westpac National and ANZ—climbing from A\$4.60, A\$2.88 and A\$4.47 respectively to A\$8.16, A\$6.40 and A\$5.94. Much of the impetus has come from offshore, mainly the US, where several major securities houses have reassessed the banks and recommended purchase. A small purchase in US terms translates to big volume

## Sydney

in Australia, and daily volumes in each of the banks recently has averaged in the A\$2m to A\$5m range on the latest wave of foreign buying.

Other one-off stocks have also captured the market's imagination. News Corporation has almost doubled to A\$16.60 over the past three months as the Murdoch Group has crashed through at Wapping and tied up the US television and film end of its leap into the future. Forecasts that over the medium term, NewsCorp is either a A\$7 stock if the grand concept fails or a A\$70 stock if it works, are now tending towards the successful end.

Its friend at Wapping, TNT, has also moved up sharply through higher earnings and the elimination of its transatlantic shipping concerns, while another transport company, Brambles, has moved up almost 50 per cent on the back of the strong earnings prospects arising from its expansion into European rail wagon leasing.

Bond Corporation and Elders IXL have prospered, while Bell and BEP have created with the market view on how their takeover duelling will pan out.

(Out with RHP sagging visibly as its earnings prospects evaporate with each turn of the screw by the Saudis). Indeed, the oil price collapse has battered the oil patch, where the oil and gas index is down 150 points, or 25 per cent, since the start of the year.

The poor performance of the oil sector has been reflected in the overall resources index which is down 13 points, or 2 per cent, so far this year.

For the bulls, the metals and minerals sector remains a key factor in overall market performance. They have latched on to the possible positive effects on the world economy from lower oil prices, one of those effects being to provide impetus for additional use of metals. Already, aluminium prices have improved and copper has gone well.

The bears, of course, believe the industrial market is seriously over-done given the low growth outlook for 1986-87 and the severe contraction of economic growth expected in the closing half of the present year as a result of Government monetary policy. Steps to re-stimulate the housing market—with only minimal government cash involved—are a sign the Government is willing to give the economy a kick without abandoning its deficit restraint.

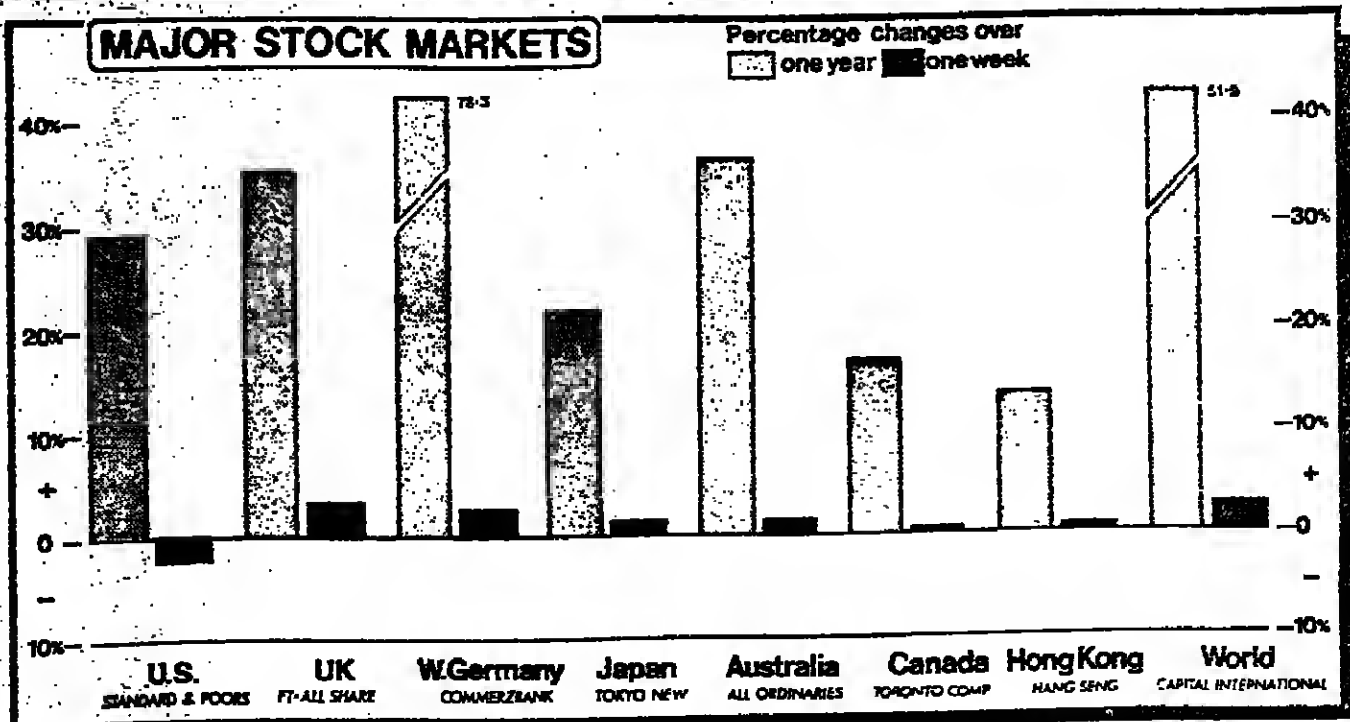
The over-riding concern, though, is the current account deficit and its effect on the value of the dollar, which is being propped by interest rates and a weaker US dollar.

Fundamentals aside, the takeover game continues to provide its own stimulus, both with the raiders themselves driving up prices and defectors wading in to mop up loose scrip to protect the back doors of the establishment.

The cash released from the takeover and defence exercises is merely adding to the swelling cash flows of the life insurance and superannuation institutions. And with companies showing a curious aversion to raising fresh equity through rights issues, there is a great deal of loose cash sloshing around the system.

Meanwhile, the market will have a new toy to play with next week with the reintroduction of regulated short-selling in 58 top stocks. The short limits and the size of the companies should prevent any efforts to corner the market to squeeze the shorts, the process which brought the original bans on shorting 15 years ago.

Lachlan Drummond



# Suddenly, the bulls are wondering

WALL STREET ended the first quarter of 1986 in fine form with the Dow Jones Industrial Average putting on more than 270 points. The second quarter has opened far less impressively. In the first three days the Dow has shed over 50 points, leaving the bulls wondering nervously if this is the beginning or end of the long overdue correction.

Since the present leg of the bull rally began in mid-September, the Dow has leapt over 40 per cent and last week touched a new peak of 1821.72. While the broader-based stock market indices have failed to match the 500-point plus rise in the Dow, the Standard and Poor's 500 index has risen by 31.5 per cent over the same period and checked in at a new peak of 238.97 on the eve of Good Friday.

This week's shakeout on Wall Street has been aggravated by some technical factors which were particularly evident in the final hour of trading on Thursday when a wave of "futures-related" sell programmes knocked over 30 points off the Dow in less than 25 minutes.

"We were sitting there fat and happy, not doing much of anything before the programme hit," said one seasoned trader after the event. Many of the biggest daily moves on Wall Street recently have been caused by the increasing number of computer futures-related trading activities which bear little relation to changes in the stock market's underlying fundamentals. Many of these stock index futures programmes are based on an arbitrage concept involving the rapid acquisition of a "basket" of securities

simulating the Standard and Poor's 500 index on the floor of the New York Stock Exchange, while simultaneously selling short a futures contract on the Chicago Mercantile Exchange.

Open interest on the June Standard and Poor's 500 stock index now stands at \$1.118 billion of stocks. These are very substantial sums of money and help explain the crazy trading activity which can sometimes erupt when sizeable futures-related orders are let loose on the stock market.

The latest issue of Morgan Stanley's widely-read Perspectives says that the programmes are a form of interest rate arbitrage and can be profitable when futures premiums expand

of this uncertainty. On Tuesday, the price dipped below \$10 a barrel for the first time in more than a decade and, all of a sudden, members of the Administration started voicing concern about the problems this was causing to America's oil companies and some of its banks.

Vice-President Bush, who made his fortune in the oil business, and John Herrington, the Energy Secretary, both appeared to be telling the Saudi Arabians to stop forcing oil prices down, and although the Administration later said that they had been misquoted, there are signs that the US is beginning to reconsider its support for lower oil prices at any cost.

The credit markets have erratically this week as traders tried to decipher Washington's double-talk on oil prices. The dramatic drop in the price of crude over the past four months is the main factor driving the epic rally in US bond prices. The market is now using a rule of thumb that oil prices of between \$8 to \$10 a barrel mean long bond yields of 7 per cent or less, and a price of \$10 to \$12 a barrel means bond yields of 7.5 per cent-plus.

By Wednesday, the US Government's closely watched long bond had touched a peak of 122 1/2 to yield 7.38 per cent, but has since been slipping back as oil prices rebounded. The market has been supported in the short term by the growing belief that the US is planning to cut the discount rate again.

The news from the economy still shows little sign of the expected upturn in activity. Car

## Wall Street

The oil price is at the centre

# Tin price may rise when dust settles

THE cloud of dust thrown up when the International Tin Agreement crashed in October is still far from having settled. Tin trading remains suspended on the London Metal Exchange; but life goes on and it is possible to buy and sell the metal in the so-called unofficial market at prices which are now under \$1,000 a tonne.

While respecting the old maxim that the true value of any commodity is what a buyer is prepared to pay, it could be that these prices reflect the exceptional circumstances of a market in disarray. We might well see rather higher levels emerging when the murk eventually clears.

Nobody, however, is looking for a return to the \$8,140 price being paid just before the LME closed its books. Nor was that price particularly generous as far as the mines are concerned, especially those in Cornwall. Among them, the veteran Geevor at Pendeen needs more than \$8,000 to break even.

Geevor is now losing about \$350,000 a month and to make matters worse, the LME debacle has deprived the company of \$1m cash from previously-made forward tin sales at higher prices which will not now be

realised. So, as from Monday, mining operations will have to be suspended and workers laid off pending Government aid.

The situation has also been described as a "very serious" for the Rio Tinto-Zinc group's tin mines in the West Country, notably South Crofty and the young (by Cornish standards) Wheat Jane operations. These provide feedstock for the group's Copper Pass smelter on Humberstone, and require tin prices of around \$8,500 to break even.

The Cornish tin industry's appeal for government assistance has been strongly supported by the Trade and Industry Select Committee of the House of Commons, and Geevor is asking for £20m to help pay for the capital works which could bring operating costs down to about \$6,000 per tonne.

Chances of some form of government assistance being offered seem good, if only because of the high level of unemployment in Cornwall. Too big a question that remains, however, is how Cornwall's tin mines can compete with lower-cost producers elsewhere in the world for a metal which has

## Mining

got to find new uses to replace those lost to other materials.

On the gold front this week we have seen a hiccup in the bullion prices. This was brought about, it is said, by the tumbling barrels of oil, which should mean lower inflation rates and, presumably, less buying of gold from the Middle East. At all events, the dollar price of bullion later steadied.

The South African price for the first quarter of this year has been adversely affected by the improvement to the value of the rand against the US dollar. It has averaged R28,800 per kilo, compared with R26,800 received by the gold mines in the final quarter of 1985.

This points to reduced operating profits to the March quarter reports which will start to flow in next week from the mines in the Consolidated Gold Fields group. Even so, the past quarter's average price is still above the previous full year's level of around R22,140.

In Australia, North Kalbarli has boosted its gold production capacity to more than 130,000 oz a year (output in the half-year to December 31 was 44,253 oz) by the purchase for A\$37m (£18.3m) of the Parings Joint venture operations.

An 80 per cent holding came from CSR and the rest was sold by Hampton Australia, the 75 per cent-owned subsidiary of London's Hampton Gold Mining Areas.

Hampton Australia received a useful A\$7.4m for this "job lot" sale and will be able to put the money to better use in the development of its well-regarded other Western Australian gold prospects.

Good progress is being made with these ventures, which includes Jubilee project where a favourable feasibility study is expected to be completed by about mid-year.

Hit by low nickel prices and rising expenses, Australia's Western Mining is to close its higher cost mines and cut output by 10 per cent. Five of the 11 small operations at Kamahala, Western Australia, will be closed immediately and the South Windarra open pit will follow in three months.

Further cost increases are expected including wage awards and the impact of proposed fringe benefit taxes on employee housing.

The company says the situation has been aggravated by an unusual recent level of industrial stoppages at Kamahala.

Kenneth Marston

Day	1986.61	- 3.11
Monday	1,980.11	-28.50
Tuesday	1,985.26	+ 5.15
Wednesday	1,766.40	-28.86
Thursday		

William Hall



As the Sunday Telegraph said recently, "Capel-Cure Myers has proved itself to be one of the very best stockbrokers for dealing with private clients..."

And, as the Observer also said, "... Vanguard, the unit trust arm of stockbrokers Capel-Cure Myers, is the Small Group of the Year. For the second year running. Its four trusts rose an average 36.7%, an excellent performance."

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# Latest prices:

Mindful that share prices can vary daily, we are publishing a bulletin showing the value of each of the offers for your company. In order to be perfectly fair, the values we've quoted are based on the best possible offers. The next closing date of our offer is April 11 at 5 pm.

**HANSON BID WORTH:**

# 378.5P

**UNITED BISCUITS BID WORTH:**

# 361.1P

**HANSON BID BETTER BY:**

# + 17.4P

Figures based on the market prices at 5.30pm on Friday.

**HANSON TRUST**  
CONTINUING GROWTH FROM BASIC BUSINESSES.



DON'T be taken in by figures. That seems to be the essential point for you to bear in mind when comparing rates in the current battle among providers of mortgages. At first sight a rate of 12 per cent for a mortgage (as now charged by most building societies and some banks) would seem a better bargain than, say, a rate of 12.25 per cent. But that is not the case. It all depends on how that interest rate is calculated.

Mortgage rates

Calculated risks

quoted are for repayment mortgages, with the normal 20 per cent tax relief incorporated. The basic endowment repayment rates are cheaper, but you have to add on the insurance policy premium which can vary considerably according to the company and the individual involved. A further complication is that some societies and banks offer an arrangement whereby you pay a lower rate at first, taking full advantage of the tax relief, but more later as the tax relief diminishes. At the same time it is important to check what restrictions are imposed by the lender and whether there are any additional charges.

MONTHLY PAYMENTS £30,000 repayment mortgage over 25 years

Lender	Interest rate	Net (20% tax relief)
Abhey National	12.00	244.70
Anglia	12.00	244.69
Barclays	11.90	243.69
Barclays	12.25	231.60
Citibank	11.95	241.25
Hallfax	12.00	244.69
Lloyds	12.00	228.97
Midland	12.25	227.40
(first year)	11.75	220.20
Natiowide	12.00	244.71
NatWest	12.00	231.73
TSB	12.30	239.24
Woolwich	12.00	244.86

For example, the Cheltenham and Gloucester Building Society Goldloan mortgage rate appears to be the lowest available at 11.75 per cent. However, it applies only to endowment or pension linked loans of over £30,000, which do not exceed 75 per cent of the valuation of the property. With many of the clearing banks, there is an additional arrangement fee of £100 to be paid, although Barclays has waived its £125 fee on mortgage applications received in April, May and June.

The Midland Bank, in an aggressive push to gain mortgage business, is offering a special deal to new (not existing) borrowers until May 31, cutting its normal mortgage rate by 0.5 per cent to 11.75 per cent, but for the first year only. It is also giving further inducements to subsidise the cost of legal fees and transferring your mortgage to the Midland.

London and Manchester is offering an even lower rate to some new borrowers. Those taking loans between £40,000 and £250,000 will be given a refund equivalent to 1 per cent below its standard rate of 12.25 per cent, following the first anniversary of completion of the loan. Qualifying borrowers will thus effectively be paying only 11.25 per cent interest during the first year.

The United Bank of Kuwait, which announced last month that it would base its future mortgage rate on the Libor (London Interbank Offered Rate) for three-month deposits, plus 0.875 per cent, has shifted ground following the decline in interest rates. The Libor based rate, based on the April 1 market quotation, worked out at 12.3125 per cent for three months ahead. But as this is not immediately competitive,

the Kuwaiti Bank is offering the alternative option of a home loan rate of 12 per cent. Borrowers, therefore, have to decide whether to go for a known fixed three-month rate at a higher cost initially or go for the normal variable rate. Citibank also sets a more competitive rate, cutting the cost of both its endowment and repayment mortgages of over £15,000 to 11.95 per cent. Because of its method of calculating interest, the Citibank monthly repayment figure is now below that of the major building societies.

Another big US bank, Chase Manhattan, said it was entering the UK home loans market for the first time. It will market through brokers and three insurance companies. The mortgage rate has been set at 12.25 per cent.

Following the independent line taken by Abhey National and the Halifax, the majority of building societies have reduced their rate to 12 per cent for all mortgages, finally eliminating the previous differential between straight repayment and endowment loans.

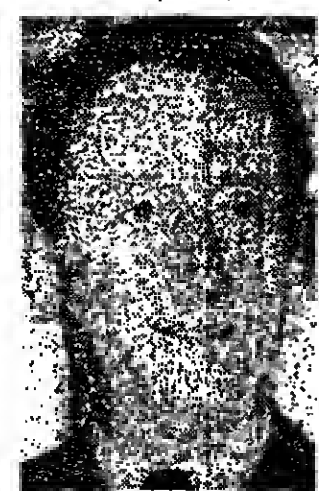
The Barnsley Building Society, however, has moved down to 11.90 for its repayment and endowment mortgages, effective from May 1 for existing borrowers and immediately for new owner occupiers.

The Cheshire Building Society is also charging 11.9 per cent for special Linkloan Plus endowment mortgages of between £35,000 to £109,000, providing the loan does not exceed 75 per cent of the value of the property.

With eager lenders creating a buyers market for mortgages, it is obviously even more worthwhile for you to shop around. But the lowest rates quoted don't necessarily represent the best bargain.

John Edwards

Lord Hanson



Lord Hanson

THE FATE of Imperial Group looks certain to be sealed—one way or another—this time next week. The United Biscuits offer closes on Friday and if, by three o'clock on that afternoon, Sir Hector Laing and his team have failed to secure a majority of Imperial Group's equity, Haason Trust will be almost assured of success. The chances of Imperial remaining an independent company are virtually zero.

So early next week Imperial shareholders will need to decide between two offers which, while financially comparable, promise very different futures for their company. The arguments being advanced by Hanson and UB must by now be familiar to any Imperial shareholder with access to either a postman or a telephone but a brief recapitulation may nonetheless be useful.

Hanson Trust maintains that Imperial shareholders will enjoy a more secure future by accepting its own offer. Its record of unbroken growth in dividends and earnings per share cannot be matched by UB and its experience of making large acquisitions is far greater than its rivals. The Hanson

offers — combinations of shares, cash, convertible stock and loan notes — are also worth more than the UB packages. The gap could narrow next week but it looks unlikely that UB will have overtaken the Hanson terms by Friday.

Imperial shareholders wanting cash for their investment may already have sold in the market and, if not, should do so early next week. UB is not offering a full cash alternative while the Hanson cash terms are worth about 65p a share less than the price available in the market. You should consult your financial advisor before deciding which combination of cash, equity and debt instruments to accept. Taking paper should enable shareholders to shelter capital gains tax liabilities while the convertible and loan note options will

able in large sums in the London money market. Its average deposit rate last year was 12.39 per cent (compound annual rate). Rates are published daily in the FT.

With no minimum deposit required, the fund pays interest without deduction of tax and withdrawals may be made on demand without penalty. The fund may however require seven days' notice for withdrawals of more than £50,000.

The Charities Deposit Fund is managed in the City by an investment office shared with the Charities Official Investment Fund, the Central Board of Finance of the Church of England and the Local Authorities' Mutual Investment Trust. It is based at Winchester House, 77 London Wall, London EC2N 1DB. (01-588 1815).

CHARITIES seeking a good home for their short-term cash balances placed a total of £24.5m in 1,600 deposit accounts with the Charities Deposit Fund in its first ten months of operation, according to the fund's first annual report.

Founded in March 1985, the fund is open only to charities and enables them to pool their cash so as to obtain the higher rates of interest avail-

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Imps prepares for the big decision

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Supermarket for home buyers

A NEW type of building society branch, designed as a model for the future, will be introduced to home buyers and investors in Leeds on Monday by the National and Provincial Building Society.

The idea is to remove the physical barriers between staff and public. The traditional official-looking counter disappears and in its place "service areas" are introduced. Two semi-circular counter areas have been provided to emphasise that the strict division between customer and staff is a thing of the past. Mr Ian Bell, National & Provincial operations general manager, said: "To make a comparison with retailing, this is a supermarket rather than a corner shop. The customer is free to wander around and look at what we have to offer."

It is the first financial outlet to be planned by the Comran Design Group, which was chosen for the job because of its experience in the design of high street retail shops. The choice reflects the National & Provincial's wish to be seen as a retailer of financial services — a shop for investors and borrowers.

The branch has also been designed with an eye to the introduction of new technology. It is fully computerised with keyboards and screens at each staff position. A self-service video unit — described by the society as an "interactive video" — stands midway between the service areas and can be used by customers to call up information on the society's services.

Only two years ago all National and Provincial branches throughout the UK were "paper-driven." It is now computerising at a rate of 20 branches a week and all outlets will be equipped with new technology by the autumn.

The question of whether the Leeds format is adopted by other branches will be decided after a six-month trial, when both customers and staff will have the chance to say how they like — or do not — the new design layout.

It should prove acceptable to customers, if Mr James Albert Roberson, aged 82, is any judge. He has been a customer since 1930 when he deposited half-a-crown from his first pay packet — an association which has continued for 68 years.

He took out his first mortgage to buy a £300 house in Beeston, Leeds, in 1930. Mr Roberson, a retired accounts office worker who now lives near the celebrated Headingley cricket ground, attended the preview as an honoured guest and liked what he saw. "The new design is very good — it's modern and that is all right with me," he said.

Fiona Thompson

Ignoring this advertisement could cut your pension in half.

When it comes to their pension, many otherwise shrewd people make decisions which defy common sense.

Not that it's easy to decide how to get the best results from the pension you may be planning to arrange.

For a start you have to identify the company with policies flexible enough to meet your needs.

**MAXIMUM FLEXIBILITY**  
Contributions can be varied

**THE VALUE OF YOUR FUND**

**YOUR CONTRIBUTIONS**  
With The Equitable your fund keeps on growing while each year you pay what you can afford.

**What happens if you retire early?**

With The Equitable you get the full value of your fund to date. With some other pension schemes you suffer a penalty.

And you must be sure there is a broad range of investment options.

**WIDE CHOICE**

- Managed Fund
- Property Fund
- Money Fund
- Social Situations Fund
- High Income Fund
- Equitable Pacific Fund
- North American Fund
- Far Eastern Fund
- Gilt & Fixed Interest Fund
- Fund of Investment Trusts
- With profits policies

Next, you must satisfy yourself you won't be pouring money, year after year, into a company which will pay out a fraction of what could have been achieved elsewhere.

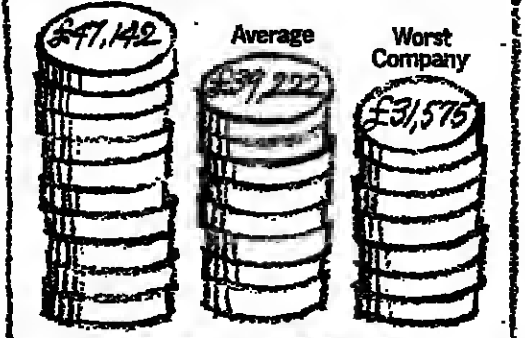
Of course the past cannot guarantee the future, but you must be certain the company's policies have a record of delivering outstanding performance.

**UNRIVALLED TRACK RECORD**

The Equitable Life. Number of 1st and 2nd places in surveys of 10 and 20 year with profits policies for the self-employed as published by *Planned Savings* magazine 1977-1985 inclusive.

Our nearest rival.

TOP PAYOUT



Personal pension fund from 20 year with profits policy annual premium of £500, as published by *Planned Savings* November 1985. Figures refer to self-employed man aged 65 retiring 1st September, 1985.

You may want to bear in mind that The Equitable Life is unusual in not paying commission to brokers or other middlemen.

Which is why these people may be reluctant to recommend The Equitable. So you'd be wise to make sure you get some figures from us.

NO MIDDLEMEN

The Equitable: Your money 100% into The Equitable.

Most companies: Middleman takes slice. As little as 50% is invested in first year.

What's more, unlike most companies, we invest every penny of your unit-linked contributions. We have no policy charges and we don't use capital or initial units with high annual fund charges.

NO POLICY CHARGES

With The Equitable, 100% is invested right away. We do not use capital units and there are Bonus Lines for regular savers. No other company offers this combination of benefits.

Almost every other company's charges under regular contribution unit-linked policies effectively cut your investment by as much as 50% in the first year, or even the first two years. This may do that through loss of applications or through capital or initial units — units with especially heavy charges year on year.

In all respects, you'll find that The Equitable's efforts on behalf of policy holders consistently give unrivalled results. One reason is that, unlike most of our competitors, there are no shareholders to nibble away at the profits.

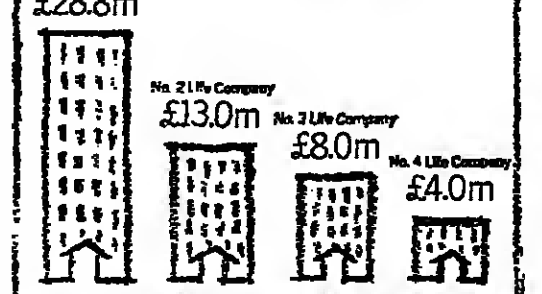
And, as the oldest mutual life office in the world, which first put into practice the sound actuarial principles all other life offices have copied, we have a reputation for innovation and fairness to live up to.



The result is that The Equitable now has funds under management totalling over £2,000 million.

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No. 1 IN A.V.C. PREMIUM INCOME



We have more Additional Voluntary Contribution Schemes than any other life company. And these schemes bring us more than twice the premium income of our nearest competitor.

We admit that deciding which pensions company to go to is difficult. But remember that your choice can mean the difference between tightening your belt when you retire, or continuing to enjoy a high standard of living. Examine the evidence of this advertisement carefully.

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BRITISH TELECOM'S 1.6m shareholders now have only three working days in which to pay the final instalment at what they use the Government for their BT shares. The deadline for the final call is 3 pm next Wednesday. People who fail to meet the deadline risk losing their shares with only limited compensation. BT sent out personalised reminder letters, and details of how to pay the final instalment to one of six designated receiving banks, on February 28.

Further information can be obtained by calling BT's shareholder inquiry service on 0345-018505, or 0345-010707.

CHARITIES seeking a good home for their short-term cash balances placed a total of £24.5m in 1,600 deposit accounts with the Charities Deposit Fund in its first ten months of operation, according to the fund's first annual report.

Founded in March 1985, the fund is open only to charities and enables them to pool their cash so as to obtain the higher rates of interest avail-

able in large sums in the London money market. Its average deposit rate last year was 12.39 per cent (compound annual rate). Rates are published daily in the FT.

With no minimum deposit required, the fund pays interest without deduction of tax and withdrawals may be made on demand without penalty. The fund may however require seven days' notice for withdrawals of more than £50,000.

The Charities Deposit Fund is managed in the City by an investment office shared with the Charities Official Investment Fund, the Central Board of Finance of the Church of England and the Local Authorities' Mutual Investment Trust. It is based at Winchester House, 77 London Wall, London EC2N 1DB. (01-588 1815).

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Insurance

# Alarm systems lead to discounts

BRITISH insurance companies have taken a beating in recent years because of the steep rise in thefts from private homes. Payouts under household contents policies are thought to have cost nearly £250m last year alone.

The companies have replied by making residents in London and other inner city areas—the favourite haunts of thieves—pay much more for household insurance. In parts of London, premiums have been doubled and, in some cases, tripled.

However, efforts by companies to make householders more security-conscious have been confined mainly to exhortations plus a mass of literature. Until now, no company has been prepared to offer a financial incentive.

Last week, though, Royal Insurance, Britain's largest composite insurance group, launched its new household policy HomeShield—which offers discounts on premiums if the householder takes precautions. These are:

- Home Security Scheme—a 15 per cent discount if an alarm system is fitted and maintained by any of nine major specialist UK companies, backed by suitable security locks on doors and windows.
- Burglar Alarm Discount—a 5 per cent discount for houses protected by an alarm system installed and maintained by a member of the National Supervisory Council for Intruder Alarms.
- A further 5 per cent discount if the home-owner belongs to a Neighbourhood Watch Scheme (NWS) run in conjunction with the police.

At a recent conference on crime prevention, held by the Prime Minister at 10 Downing Street, insurance companies

were urged to provide such incentives. However, HomeShield was under consideration well before then although John Simpson, Royal's assistant general manager responsible for the new product, admits the NWS feature was added as a result of the conference despite there being no firm statistics as yet on which to base the discount.

Royal refutes claims from other companies that it has picked all the discounts out of the air and does not have the necessary data on which to base any of them.

Like all companies, Royal reviewed its contents premiums 18 months ago and fine-tuned this last July. Its new-for-old premiums vary from £2.50 for every £1,000 of cover in the lowest rating rural districts to £12.00 in the highest risk London areas.

However, HomeShield does not just give discounts on contents premiums. Royal has redesigned its personal insurance contracts and offers a choice of seven covers within one contract to meet all needs except motor insurance.

The contract has three important developments. First, it offers a 24-hour legal advice service at no extra cost. Second, householders can keep their premium costs down by opting to meet the first part of the claim liability. There is a variety of excesses and discounts.

Finally, Royal is offering home-owners a 30-day money-back approval period during which they can change their mind without penalty. This feature is rare for non-life policies and is a welcome innovation.

Eric Short

Unit trusts

# Time is ripe for Standard Life

STANDARD LIFE, the giant Scottish life insurance company, has decided to join the rush into unit trusts. On May 1, when it receives official authorisation from the Department of Trade and Industry, it will launch a range of eight unit trusts.

The group, which has £10bn under management and is one of the most powerful institutional investors on the UK stock market, feels that the time is ripe to follow the trend set by other life companies and expand into unit trusts. It has already established a respectable track record in managing unit-linked, single premium investment funds, but now it wants to get into the fast growing unit trust market where there are tax advantages for private investors.

Bearing in mind the group's emphasis on consistent, rather than spectacular, investment performance, the eight different unit trusts available will not include any "favour of the month" funds according to David Simpson, Standard Life's chief investment manager. They cover the normal range of income, capital growth and international funds.

Standard Life expects that the Managed Trust fund will be the most popular, especially with first time investors tempted to move out of building societies, but uncertain

where to put their money. However, an unusual feature of the Managed Fund is that its trust deed includes a provision to convert it into a "fund of funds" investing in other unit trusts, instead of into equities direct. If Standard Life decides this is desirable for unitholders, such a change would require prior approval by the Department of Trade and Industry (DTI) but in theory could be implemented by Standard Life unilaterally.

In practice, according to Tom King, marketing general manager, this is extremely unlikely to happen not least because the group would have probably have to pay the costs involved, such as capital gains tax. The group's original intention was to launch a fund of funds, but this was blocked by the DTI on the grounds that it did not have an established track record in unit trusts. Nevertheless, the facility to make the change has been retained just in case.

Another controversial aspect is Standard Life's decision to leave the Unit Trust Association

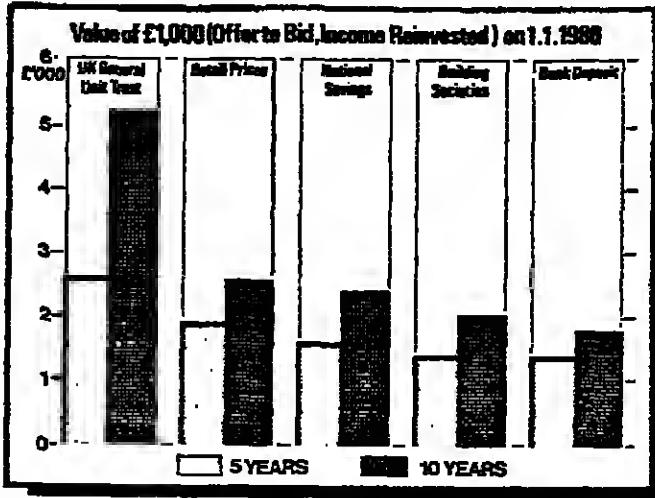
because it does not want to be bound by the association's rules on commission to independent intermediaries, who would not normally qualify for the 1.75 per cent marketing allowance paid in addition to the maximum basic commission of 1.25 per cent.

Standard Life claims that since unit trusts are only an alternative product to those sold through its normal life insurance selling outlets it must offer equivalent commissions to avoid the advice given by the intermediary being biased by the amount of money earned.

It expects this whole question to be sorted out during the discussions leading up to the Big Bang in October, but meanwhile has decided to go ahead.

The charges to investors are not affected; there is the normal five per cent initial (front load) charge and a one per cent annual management fee. However, a 2 per cent extra allocation of units will be offered between May 1 and 15, when the unit price will be fixed at 25p. After that a 1 per cent extra allocation will be available until May 31; extra units will also be given for investments over £10,000 (one per cent) and over £25,000 (2 per cent).

John Edwards



Business Expansion Scheme

# Sunrise investment

BIOTECHNOLOGY IS often bandied about as the panacea to every problem from feeding the Third World to producing the perfect potato. But biotechnology is still a very young and under-funded industry. Although multinationals like Shell and ICI have invested an extensive research programme, the industry is dominated by a sub-structure of small companies, many of which are chronically under-capitalised.

The Government has been heavy on "sunrise industry" rhetoric; light on financial support. Thus many smaller biotech companies face the dilemma of having to scout for capital to carry them through the lean years of research and development before revenue begins to roll in.

Microplants, a young biotech company based in Derbyshire's Peak District, has turned to the business expansion scheme for its venture capital.

The company was formed in 1983 by a botanist, Martin Stokes, and a geochemist, Asbok Ranchhod, to develop new methods of plant propagation—primarily for plantation crops and rare plants—through the technology of tissue culture, rather than conventional seed raising.

Having begun its research and development programme Microplants now needs £250,000 to recapitalise its activities. The issue is open indefinitely; to minimise costs it has been organised by the company's directors.

Microplants is in many ways the paradigm of a business expansion scheme company. The scheme was conceived as a way of providing young, entrepreneurial companies with easy access to venture capital in order to generate jobs and boost technology. Microplants matches that brief exactly.

Meanwhile, Tweedside Sawmills is asking investors for £1.8m to establish a sawmill business in Peebleshire, Scotland.

The sawmill is already operating, at a profit, under the aegis of the Economic Forestry Group. Tweedside Sawmill will be established to acquire the mill and to sell softwood sawn timber to the domestic packaging and construction industries.

The issue of 3.8m shares for 50p each is sponsored by the licensed securities dealers FPG, and should close on April 30.

Alice Rawsthorn

Cold calling

# Nuisance abatement

TAKE COMFORT when you get that unwelcome call trying to sell you some sure-fire investment opportunity. Help is at hand. Measures to clamp down on "cold calling" (unsolicited calls) were announced this week by the two organisations charged with providing extra protection for investors—the Securities and Investments Board and Marketing of Investments Board Organising Committee.

Under proposed draft regulations and rules, cold calling on investors will be supposedly banned, with one or two notable exceptions. Following the principle that certain investments are "good" for you, life assurance salesmen will continue to be allowed to make "cold calls." So too will authorised unit trusts (helping to make Britain a nation of shareholders?) who have so far

been denied the privilege. However, the cooling-off period, during which you are entitled to change your mind without being under pressure from the salesman, has been extended from 10 to 14 days, and a lot more information about the proposed transaction will have to be provided.

Otherwise cold calling will not be allowed. Two areas specifically mentioned where cold calling will no longer be allowed are to shareholders of a company involved in a takeover battle and to sell commodity futures. At the same time all calls on potential investors will be subject to a strict code of business rule which will require, for example, that the caller identifies him/herself and the purpose of the call at the outset.

Under the draft rules, on which comments are sought by May 15, cold calling is defined as either a telephone call to a person's home or work; a personal encounter in the street (eg through "clipboard selling"); or a personal visit (eg "doorstep selling").

John Edwards

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And the consistency of the performance is equally impressive. In each year of the Fund's life, the return\* to unitholders has been at least 25 per cent. and the Fund out-performed the All-Share Index in each of those years.

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Please send me details of Mercury Recovery Fund.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Postcode \_\_\_\_\_ Telephone \_\_\_\_\_

\*Source: Planned Savings Figures at 1st April, 1986, on an offer price to offer price basis, with net income reinvested. These figures demonstrate the past performance of the Fund and are not necessarily any guide to future performance.

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By Post - Units can be bought by sending a completed coupon and cheque to the Managers. Please remember that the price of units and the income from them may go down as well as up. You should look upon your investment as long term.

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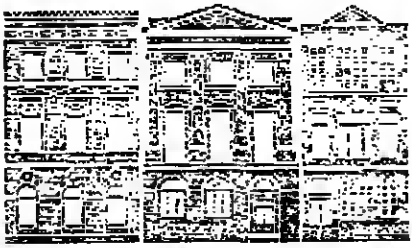
The Trust aims to achieve capital growth by investing in Japanese domiciled companies which have the potential to provide above-average returns. The portfolio features not only securities which reflect the fundamental strengths of dominant technology-based industries but also those which stand to benefit from expected improvements in the domestic sector. In addition stocks may be purchased in the Tokyo Over-the-Counter Market.

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Signature \_\_\_\_\_ Date \_\_\_\_\_

John Applicants should sign and give details separately. This offer is only open to investors over 18 years old. This offer is not open to residents of the Republic of Ireland.

**HAMERSLEY IRON FINANCE N.V.**

FIRST NOTICE OF REDEMPTION OF ALL OUTSTANDING 8 PER CENT DEBENTURES DUE 1987

Hammersley Iron Finance N.V. hereby gives notice to all holders of its 8 per cent Debentures due 1987 ('Debentures') of its intention to redeem all outstanding Debentures. The redemption date is 7 May 1986 and the redemption price is 100 per cent of the principal amount of each Debenture together with accrued interest from 15 November 1985 to the redemption date. The accrued interest is U.S. \$38.22 per each U.S. \$1,000 Debenture.

On the redemption date, the redemption price will become due and payable upon all outstanding Debentures and interest shall cease to accrue on and after 7 May 1986.

Debentures together with all coupons appertaining thereto maturing after 7 May 1986 are to be surrendered for payment at the offices of Citibank N.A., Bond Redemption Department, Fifth Floor, 111 Wall Street, New York, New York 10043 and at the main offices of Citibank in Amsterdam, Brussels, Frankfurt (Main), Geneva, London, Paris and Tokyo, of Swiss Bank Corporation in Basle and of Banque Generale de Luxembourg S.A. in Luxembourg.

Withholding of 20 per cent of gross redemption proceeds of any payment made within the United States may be required by the interest and Dividend Tax Compliance Act of 1983 unless the paying agent has the correct taxpayer identification number (Social Security number or Employer identification number) or exemption certificate of the payee.

5 April 1986

**APOLOGY**

The Financial Times apologises to the British Airports Authority for having published incorrect copy in their full page advertisement carried in the newspaper dated Friday, April 4th.

The new terminal 4 opens on April 12th.

The erroneous copy implied that that date was 'tomorrow.'

The correct text for the advertisement appears in today's newspaper on page 9 of the 'weekend' section.

INVESTMENT trusts remain an obscure area to most private investors in spite of increasing efforts by the Association of Investment Trust Companies to spread the word about their merits. Split-level investment trusts, which originated two decades ago, are even less widely-known.

In common with other investment trusts, the split-level variety are in fact companies which provide their shareholders with the returns from a diversified holding of equities and fixed-interest securities.

The distinctive and possibly most attractive feature about split-level trust companies is that they have two classes of shares which offer investors a choice between capital growth or income.

If an investor buys so-called "capital shares" in one of the 10 companies tracked in the monthly FT/AITC performance tables, he is usually entitled at a given winding-up date to all (or almost all) of the capital appreciation of the trust company's assets. Higher-rate taxpayers will find this attractive since the yield will be taxable as a capital gain, rather than as income.

If however, the opts for the company's "income shares," the investor will receive all the dividend income from the trust's underlying portfolio. This means that the prices of the two classes of shares tend to move in opposite directions.

As the split-level trust company nears its winding-up date the price of the income shares will fall because, at termination,

## Investment trusts Where choice counts

The income shareholders are repaid only at the par value of their shares, which will probably mean a large capital loss. Conversely, the price of the "capital shares" will tend to rise as the winding-up date approaches.

This also has the effect of accentuating the best-known peculiarity of investment trusts - the gap or discount between the share price and the net value per share of the trust's assets. This discount occurs because of a combination of factors, including the market perception of a trust's management record and the difficulty a trust would have in realising the full value of its equity portfolio if it tried to liquidate it in one go.

In February and March, shares in the average non-specialist investment trust were selling at 23.8 per cent below the net asset value (NAV) per share, according to figures

from stockbrokers Wood Mackenzie. But among the 10 split-level trusts in the FT/AITC table, the capital shares were selling on average at a considerably larger discount, standing at more than 30 per cent on March 17.

This reflects the fact that some of the split-level trusts will not be wound up for at least a decade, so depressing the worth of the capital shares. The discount was as high as 67 per cent in the case of a trust expected to stay alive until the year 2008.

It is hardly surprising that the newest split-level trust to appear is offering its capital shares at a hefty initial discount of 50 per cent of the net asset value per share. The River and Mercantile Geared Capital and Income Trust has an expected winding-up date as far off as 1999, meaning that the capital shares would, probably, soon show a discount to net asset value in any case. Offering the shares at a 50 per cent discount means they are priced very competitively to begin with.

However, River and Mercantile Investment Management, which launched the trust this week, claims that its income shares are also a firm bet. Income shareholders will be entitled to one-third of the trust portfolio's capital appreciation at wind-up. The company is trying to raise £14m altogether, with an offer of 35m capital shares at 10p each and 14m shares at 75p.

Name	Business	Month of flotation	% price change
BEPF	Business publishing	March	+19
Gold Greenless Trotter	Advertising	March	+14
Jarvis Parter	Printer of labels	February	+27
Macro 4	Computer software	January	+31
Menvier Swalford	Emergency lights	March	+27
PPL	Computers	February	+20
Spicet	Car part wholesaler	February	+7
Templeton Galbraith	Fund managers	February	+1
Throgmorton	Investment trust	January	+1
Wellcome	Drugs	January	+99

## New issues boom

FLOATING of companies onto a steeply rising stock market is a walkover. Never mind if the company has gone ex-growth or if the price was set with the interests of the retiring shareholders at heart - the shares are likely to be given at least an adequate reception, to judge from the latest batch of new issues.

Only two of the issues have done worse than the stock market average: Templeton Galbraith and Throgmorton USM. Templeton, the US fund manager, was priced rather greedily by its sponsor, Cazenove, on a price earnings ratio of 20. The price has held up investors are hoping for a rush of buying from the US when restrictions are lifted in the summer.

The prospect of US buying lies in part behind Wellcome's extraordinary flight. Wellcome remains the year's biggest surprise as well as by far the

biggest money-spinner. At the time, analysts judged the issue price to be fair and some were surprised at the 30 per cent premium made on the first day for anyone lucky enough to get shares. Now, at nearly twice the issue price, and at a large premium to the sector, it is difficult to see how there can be much mileage left. Best and worst issues aside, investors might as well have used a pin to choose which of the other companies to invest in.

An exception has been Jarvis Porter, a Leeds-based printer of labels and a solid, if rather unglamorous business. The issue was an example of what happens when a small issue attracts investors' attention. The issue was sensibly priced below the sector average and was 97 times oversubscribed, attracting funds of nearly £500m.

Lucy Kellaway

## BRIDGE

WHEN I WAS playing recently with Suisi Weyl, two interesting deals occurred in the same rubber. Here is the first:

N  
A J 4  
K 9 8 2  
K  
A 9 8 7 5

W 10 9 8 5 3 2  
K 10 4  
8 4 3  
K 6 4 2

S  
K 6  
A 7 6 5 3  
10 7 5 2  
Q 10

Neither side was vulnerable, but North-South were 40 towards game and East-West were 80. My partner in the North seat dealt and opened the bidding with one club, East overcalled with one diamond, I said one heart, and West came in with one spade. North's raise to two hearts was followed by two passes, but West overcalled again with two spades, and my partner said three hearts. This was doubled by East, and all passed.

West led the diamond eight, and dummy's King lost to the Ace. East had no attractive return, but after some thought he played the Knave of hearts - not the card I would have chosen - which ran to dummy's King. West showing out, I returned the club five from the table. East produced the three, and my ten drew the King from West.

West switched to the spade ten, I won in hand, and cashed the club Queen, dropping the Knave on my right. Now I led my spade and finessed dummy's Knave, and he held.

Three weeks ago I discussed a hand from a team match, in which I was able to draw the enemy trumps by leading a side suit. I had reached the same position in this hand, and the club nine, East ruffed with his heart four, I overruffed with the five, and returned to the table by ruffing a diamond. When I led back another club, East resigned, claiming one heart trick, and conceding the balance. The result was that we made an overtrick - East's poor double had received its just deserts.

Two deals later - I have changed the table positions for convenience - this turned up:

N  
2  
K J 10 9 4  
A J 4  
J 6 5 3

W 9 8 4  
Q 8 7 3  
2  
Q 10 7 4

E 7 6 4  
6 5  
K 10 8 7 6  
8 2

S  
K Q 10 3  
A 2  
Q 9 5 3  
A K 9

I dealt in the North seat, and after two passes my partner opened with one no trump. I replied with three hearts, and South's three no trumps concluded the auction.

West's lead of the club four was helpful, and the nine won. The declarer returned a diamond, finessing the Knave, and losing to the King. Winning the club return, she crossed to the diamond Ace. West showing out, and took the marked finesse of the nine in hand. After cashing the heart Ace, South led the King of spades. East won, and another spade was taken by my partner's Queen.

In the five-card position West held the spade Knave, Queen and eight of hearts, and Queen and ten of clubs. Dummy held King, Knave, ten of hearts and Knave, six of clubs, while the declarer held ten, three of spades, the heart two, the diamond Queen, and the Ace of clubs.

South cashed her Ace of clubs, and now the diamond Queen operated a three-suit squeeze against West - admittedly, the heart was a "show-up" squeeze - and my partner collected 11 tricks. Nicely timed.

E.P.C. Cotter

## CHESS

LAST WEEK'S GLC International at the Great Eastern Hotel, London, finished as it began with a remarkable performance by the young British players against some of the best grandmasters in the world. Final scores, showing four home representatives in the top five, were: Flear 8½ out of 13; Chandler and Short 8; Nunn and Ribli 7½; Polugaevsky, Fortsch and Spassky 7; Speelman and Vaganian 6; Larsen 5½; Plaskett 5; Dlugy and Mestel 4.

More than half the games were drawn, a normal outcome in a field of high quality, but this bare statistic conceals wide individual variations.

White: H. J. Plaskett, Black: M. Chandler. Queen's Gambit Declined (GLC, London 1986).

N-KB3; 2 P-Q4, P-K3; 3 P-B4, P-QN3; 4 N-B3, B-N2; 5 B-N5, B-K2.

As Black against Vaganian of the USSR, Plaskett preferred

5... B-N5 and won by a clever trap: 6 P-K3, P-KR3; 7 B-R4, P-KN4; 8 B-N3, N-K5; 9 Q-B2, BxN ch; 10 PxB, NxB; 11 B-PxN, P-Q3; 12 B-Q3, N-Q2; 13 Q-Q, Q-K2; 14 P-QR4, P-QR4; 15 B-K4, BxB; 16 QxR, Q-Q; 17 Q-B6, P-B4; 18 QxBP, KR-B1; 19 Q-N7, Q-Q1; so that if 20 N-Q2, P-N5 when the queen will be caught by R-QB2. Vaganian had to give up his knight by 20 NxB and lost on material.

6 Q-B2, P-Q4; 7 PxP, 7 BxN first is more accurate.

7... NxP; 8 BxB, QxB; 9 P-K4, NxN; 10 PxN, Q-Q; 11 B-B4, P-QB4; 12 Q-Q, N-B3; 13 QR-Q1, PxB; 14 PxB, Q-B1; 15 Q-K2, N-R4; 16 B-Q3, R-B6?

Starting with a Queen's Indian with... P-QN3 and transposing to a regular Queen's Gambit, the position has now reached a middle game similar to the Semi-Tarrasch 1 P-Q4, P-Q4; 2 P-QB4, P-K3; 3 N-QB3, P-Q4; 4 N-B3, P-B4; 5 B-PxP, NxB. In the Semi-Tarrasch, Black often exchanges bishops via B-N5 ch so that the white queen ends up at Q2. The slight difference here

objectively favours Black, since the WQ is misplaced at Q2 and has to move with loss of tempo. But now Chandler starts to overestimate his chances; better KR-Q1.

17 KR-K1, R-Q1; 18 P-KR4! P-N3; 19 Q-Q2, R-B6?

Black is surprised by White's rook pawn advance in place of the usual central break with P-Q5, and makes more errors. 18... P-R3 is best, and now the rook should retreat to B1: 20 P-R5, Q-B1; 21 P-R6, R-B1; 22 R-QB1, P-B3; 23 RxB, QxR; 24 R-QB1, Q-Q1; 25 Q-K2, Q-KB1; 26 Q-Q2, Q-Q1; 27 R-Q1, Q-Q3; 28 P-K3!

White's earlier pawn advance set up threats to the black king, and this well-timed thrust enables the queen, rook and bishop to join in with decisive effect.

28... Q-B1; 29 PxB, BxN; 30 PxB, QxBP; 31 R-QB1, QxBP; 32 R-B8 ch, K-R2; 33 Q-N5! N-B3.

If 33... QxB; 34 R-B7 ch forces mate.

34 R-B7 ch, R-B1; 35 BxK! Q-Q8 ch; 36 Kx2, Resigns.

PROBLEM No. 614  
BLACK (to move)

WHITE (to move)

Rashkovsky v Kuprychik, USSR championship 1981. White (to move) sacrificed a pawn for attack in this grandmaster game, and now had two plausible captures: 1 NxB and 1 RxB. One choice wins quickly, the other allows Black to escape. Which is right? In the game, GM Rashkovsky missed the hidden tactics of the position and made the wrong selection.

Solution Page XV  
Leonard Barden

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# Security beckons—a year at a time

WITH INTEREST rates apparently on a downward path, "yearling" bonds issued by local authorities are likely to have an additional attraction for investors, especially since they escaped the Budget net and continue to be exempt from stamp duty.

Yearling bonds—so called because they are repayable after a year at a fixed rate of interest—are not guaranteed by the Government in the way gilt are. But they are generally recognised to be among the most secure investments.

Yearlings are issued by a number of councils each week; prices and rates are announced every Tuesday morning. If you are interested in an issue, you

can ask a stockbroker to see that your name is entered on the placing list.

However, you will not know the interest rate to be offered in the issue (although you can instruct an agent as to the minimum you are prepared to accept); nor will you know which local authority has issued the bond you are buying.

Rate-capped councils have not been permitted to issue bonds since November 1984, and there remain hardly any bonds from such authorities now in issue. As councils which were since been rate-capped were responsible for about 23 per cent of all bonds issued, this has led to a considerable decline in the number of issues available.

One stockbroker who handles

a large proportion of the business estimates that the flow has dwindled to between £5m-£6m a week, compared to over £10m in September last year.

But yearling bonds, which must be bought in minimum denominations of £1,000, tend to offer attractive yields in line with money market rates. The latest issue this week was by Allerdale District Council seeking to raise £500,000 and offering 10.125 per cent.

There is very little trade in yearling bonds in the secondary market at the moment. For small investors buying in relatively small amounts and holding the bonds to redemption, the expenses will be few.

Holding bonds to redemption makes sense now that accrued

interest is subject to income tax under the rules against "bondwashing" which came into effect at the end of February. Before then it was possible to benefit from the treatment of accrued income as capital resulting from the sale of a bond, and including it within the minimum threshold for a Capital Gains Tax (CGT) exemption.

Stockbrokers vary in their opinions on the appeal of local authority bonds to the small investor. Mr Ray Bolger of Nivison R. & Co points out that building society bonds also remain free from stamp duty, and the investor has the advantage of knowing the exact source of issue.

In particular he recommends

Dina Thomson

## Freehold flats

# The need for reform and how to achieve it

ENGLAND IS one of the few parts of the western world where the law makes it impossible to have a satisfactory scheme allowing flats and maisonettes to be owned on a freehold basis. Instead, we have a clumsy system of selling long leases at tiny rents for a large capital sum.

This distortion of provisions originally devised to deal with lettings at full rents can lead to serious practical difficulties. These can have unhappy results. Poor Miss Di Palma earlier this year lost her appeal against the repossession of her £50,000 flat after she had withheld her £300 service charge during a dispute with her landlord.

Many leaseholders do not realise that they can be at serious risk of losing their home if they fail to comply strictly with the requirements of their lease.

This underlines one of the major drawbacks of the leasehold system. In most cases it involves a quite unnecessary party—the landlord, who ideally should not be involved after owners have been found for all flats in a block. At present, more often than not, the landlord collects a ground rent, retains responsibility for repairs and maintenance to the common parts of the building, and provides services such as porters and insurance, for which he levies a service charge.

In a mounting number of cases, tenants claim that the landlord is profiting from an abuse of his position at their expense. If this happens, or if the landlord simply loses interest, tenants have little choice but to take legal action,

which will almost inevitably be expensive and slow. Sometimes the landlord's functions are carried out by a management company, of which tenants may or may not be members. However, this cannot be imposed on a landlord who does not wish to give up control.

Apart from managerial and landlord/tenant difficulties, there is also a serious financial drawback to the leasehold system, which is becoming more apparent as the leases of many older flats or maisonettes come closer to expiry. Many owners are finding to their dismay that it is becoming increasingly difficult to sell their leases when they wish to move. They are being caught in the "depreciating asset" trap, in which building societies are unwilling to lend to would-be purchasers of ageing leases.

The Building Societies Association is concerned about the problem. In its report, Leaseholds—Time for a Change? published last summer, it explains that societies "... can normally avoid the depreciation danger by refusing to lend after a lease has less than 40 years to run, and indeed they generally do just that." The association is anxious to see reform, and points to what it regards as the better system adopted in Australia.

Reform may be on the way. The main difficulties about freehold flats are legal. There have been attempts to remove them, and the Law Commission recommends several changes in its report, Transfer of Land—The Law of Positive and Restrictive Covenants.

The main objective of the pro-

posals is not to clear the way for freehold flats. However, they deal with the main obstacle to them under English law, which is that it is not possible to enforce positive obligations (for example to do repairs or to pay service charges) directly against the successors to an original purchaser, unless the property is held on lease.

This means that it is impossible to keep a freehold block of flats in good condition and lenders are reluctant to accept such property as security.

The Lord Chancellor's officials are considering alternative methods of creating a satisfactory regime for freehold flats. There are two approaches, both workable. One, proposed by the Law Commission, is to allow the lawyer drafting each individual flat or maisonette scheme to set up his own system modelled on the procedure now adopted for long leasehold blocks—but on a freehold basis.

They have also suggested special provisions to "rescue" the limited number of existing freehold blocks, which typically were built in the 1950s in retirement towns like Worthing, where most original purchasers did not need mortgages; but where it is now proving very difficult to sell to successors.

The alternative approach is that it should be compulsory in England to copy the Australian system of "Strata Title" or to follow the precedent of American condominiums. Each system provides for standardised documentation covering freehold blocks.

In the Australian system the obligations of the flat-owner who purchases a strata unit are laid down in law, not left to a lease which may be imperfectly drafted. The condominium system is similar, but you buy a share in the whole block, rather than an individual unit.

The Building Societies Association favours the former system which it says has been a notable success in New South Wales for 20 years. It disagrees with the Law Commission's desire for flexibility, preferring the benefits of certainty that Strata Title brings.

So far as bringing in new legislation is concerned, what you lose on the swings you will

gain on the roundabouts. To introduce rigid Strata Titles would mean complex initial legislation, but there would be less divergence between individual schemes, and experience would make the system familiar quite quickly. The alternative method would be simpler to enact, and would give more flexibility, but would mean that every scheme would have to be dealt with on an individual basis.

Both courses have their points, and it may take a little time yet before a decision is made. When it is, the long-held dream of freehold flats should at last come true.

Stephen Edell

**BRIEFCASE**

### Blighted by a road

I put my house on the market last September but have not been able to sell it because of improvements to a nearby road. I estimate that the property will be approximately 19 metres from a slip road when it is built, a little more from the main road. Are there any statutory provisions for the Department of Transport to buy affected property in a case like this?

What should be my next course of action?

It may be correct that you cannot at this stage require the Department of Transport to purchase the house, but it may

### Legal delays

In January 1982 a distant relative and very close friend died; for sometime she had spoken of making a new will and had asked my uncle, the senior member of the family in England, and me to be executors. This we agreed to do and believed that the will had been drawn up, signed and witnessed.

By June 1982 it was realised that she had died intestate and since I had no legal interest, administration was passed to my uncle's son, a practising solicitor. This I believe was in his personal rather than his professional capacity. My

services were offered, should they be of help, since I was familiar with her affairs. In general, this offer was accepted.

Matters dragged on and last spring I wrote to my cousin asking for a progress report and again in the summer. This brought no response but receipt was acknowledged, verbally, to a third party.

Last week I wrote by recorded delivery asking what was happening and said I would not write to him again on this matter unless he asks otherwise, but added that did not mean that I might not write other letters on the subject. The Post Office has confirmed delivery.

There is nothing that you can do yourself as you have no interest in the estate. You can of course advise those who are entitled on intestacy, and they can, in turn, insist on the proper administration of the estate, by the court if need be.

No legal responsibility can be accepted by the Financial Times for post as soon as possible. Answers will be answered by the services given in these columns. More Briefcase, Page VIII.

## Pacific Assets Trust

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**OUR EUROPEAN LINK**  
The manager of the fund is Philippe Héraut, who has been seconded from *Crédit Commercial de France*. He is our link into CCF's research, while working in London with the other Framlington fund managers.

The fund will have a bias towards smaller companies: it is, for example, authorised to invest in the French *Second Marché*.

In geographical terms the current emphasis of investment is on France (37 per cent), Italy

(11 per cent), Switzerland (13 per cent) and Germany (11 per cent), with smaller holdings in Belgium, Sweden, Spain, Holland and Norway. There is currently a substantial flow of new money into the fund. As this is invested, the proportions will change. In particular, the proportion invested in Germany is likely to be increased. The fund has powers to invest in Britain but will not do so for the present.

Investors should regard all unit trust investment as long term. They are reminded that the price of units and the income from them can go down as well as up.

On 1 April the price of both income and accumulation units was 53.8p, compared with 50.0p when the fund was launched on February 14. The estimated gross yield was 0.95 per cent.

**GENERAL INFORMATION**  
Applications will be acknowledged; certificates for lump-sum investments will be sent by the registrars, Lloyds Bank Plc, normally within 42 days.

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Signature \_\_\_\_\_ Date \_\_\_\_\_

(Joint applicants should all sign and if necessary give details separately)

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**FRAMLINGTON EUROPEAN FUND**

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FINANCE & THE FAMILY

Taxation

The wanting... and waiting

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company, the yardstick may be the future profitability or some other performance criteria. When a sale is structured this way, the seller is getting two separate things: immediate cash and the right to receive more in the future. For CGT purposes, the future right has to be given a present value, ie, what would someone else be prepared to pay to step into the seller's shoes.



Rights of occupation

I have been left a house and shop. A hatcher over the road paid £10 rent for the shop and garage and ground floor mainly to stop someone opening up in opposition to him.

not 50 per cent) but on reaching some "Law" books I see mention is made that for women 33 per cent is taken as a "starting point" rather than 50 per cent. During those five years she will make no contribution to the mortgage, etc.

Create a trust

A property is presently held freehold, in the joint names of my wife and myself. Anticipating my decessment, it is proposed to have 49 per cent of the equity value of the property transferred in to the name of our one and only child.

I would welcome the opinion of your legal advisors concerning a problem facing an executor against whom a claim has been made for a debt alleged to have been incurred by the deceased.

Inheritance plan

I am approaching retirement and intend to spend a large proportion of my capital on purchasing a new property. There are many advertisements in the financial press regarding methods of avoiding Capital Transfer Tax but they all appear to relate to the investment of money. Is there any way in purchasing the property of holding the property in trust for my children which would avoid them paying CGT when they inherit the property.

Debt problem

The executor should retain sufficient to meet the claim, if it should be substantiated, and can distribute the rest of the estate.

Marital division

My wife has gone to live with another man of her own free will. We have a house in joint names. She wants her share "out" of the house. She mentions 33 per cent (I was surprised

Dollar deposit accounts

Transatlantic gains

IF YOU are a frequent traveller to the US, or have strong views about the greenback, you may be interested in the move by Bell Savings Bank, one of the American savings and loans companies with assets of \$343m, to promote dollar deposit accounts in Britain.

Bell Savings is also offering a variable interest account aimed at holiday makers which offers instant access. The Bell US Holiday account, now pays 7.02 per cent CAR on balances of \$500 and over. 3.25 per cent on balances of between \$500 and \$300. It pays no interest, however, if the balance falls below \$300.

term, but depositors will suffer an interest penalty—one month's interest in the case of six months deposit account, 3 months in the case of 12 and 30 month deposits, and 12 months for five year accounts. One of the drawbacks is that deposits cannot be made directly to Bell Savings in this country.

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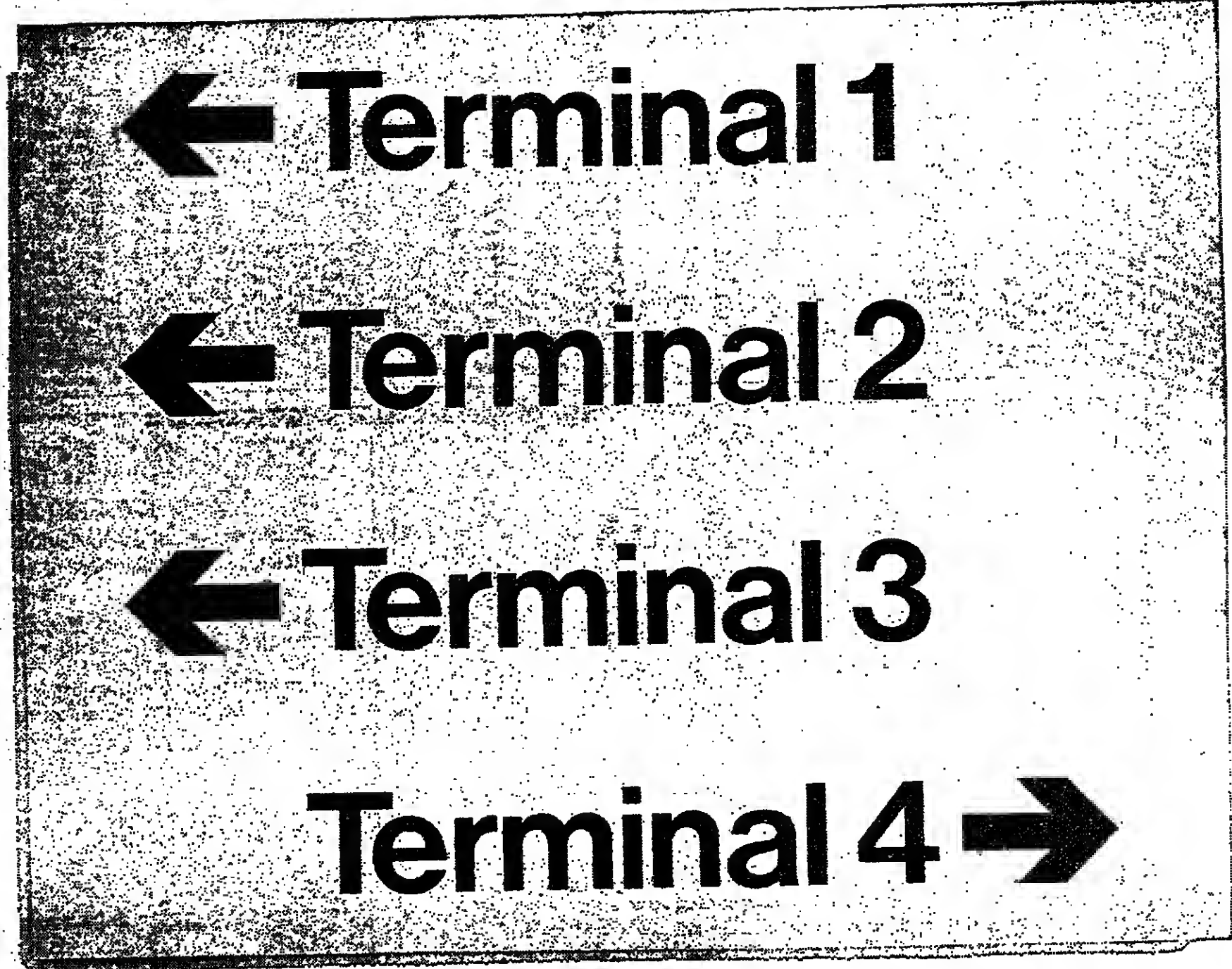
Debentures together with all coupons appertaining thereto maturing after 7 May 1986 are to be surrendered for payment at the Offices of Citibank N.A., Bond Redemption Department, Fifth Floor, 111 Wall Street, New York, New York 10043 and at the main offices of Citibank, in Amsterdam, Brussels, Frankfurt (Main), Geneva, London, Paris and Tokyo, of Swiss Bank Corporation in Basle and of Banque Generale du Luxembourg S.A. in Luxembourg.

BASE LENDING RATES

Table listing various banks and their base lending rates. Includes AEN Bank, Allied Dunbar & Co., Allied Irish Bank, American Express, Banco de Bilbao, Bank of America, Bank of Canada, Bank of India, Bank of Scotland, Bank of South Africa, Bank of Tokyo, Bank of Victoria, Bank of Western Australia, Bank of Western Australia, Bank of Western Australia, Bank of Western Australia.



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So it's more important than ever to know which Terminal to report to.

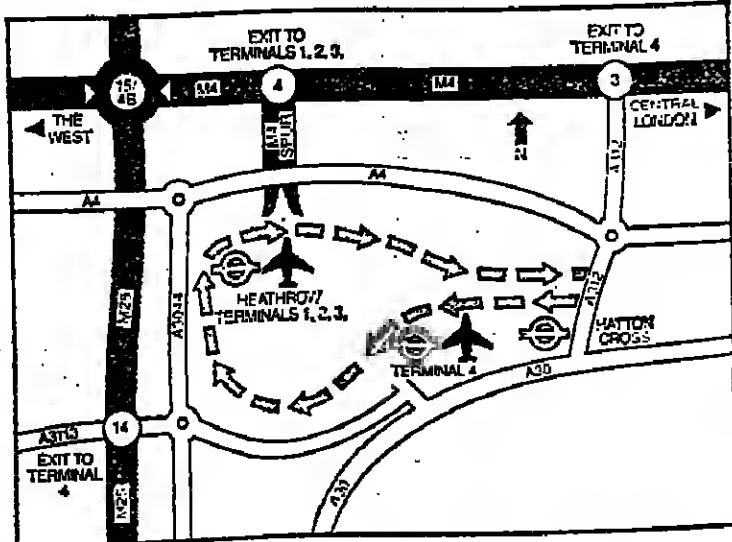
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PROPERTY

The market gathers steam

IF YOU want to get settled in before the summer, then put your home on the market now, and start seriously searching for somewhere else.

After a sluggish start due to the mixed weather, the traditional annual peak-buying period is gathering steam. With interest rates lower, no shortage of funds on offer from varying sources, it looks like being a vintage year, particularly for anything of historic charm and character.

Watch out, too, for the "sneakers" of last season. Sleepers over the winter, they are re-emerging, often spruced up and at more realistic prices.

Decide what you want, where you want it, and how much you can afford to pay for it. Then do not necessarily abide by it. There is rarely such a thing as the absolute ideal home. There usually has to be a compromise somewhere along the line.

After nearly two years of traumas and frustrations over abortive sales—a couple of deals were very near to exchange of contracts—we have found another home. Remaining firm over location—not far from where we are now—we had to adjust our requirements on the type of accommodation. And to be fair, we have been rather fussy.

When we sold our tall, narrow Regency house, we swore that we would never buy another place on three floors. The house we are buying is tall, narrow and on three floors; but it is exactly where we want it. The stairs have not been counted, but there must be quite a few judging by the high cost of carpeting.

Never underestimate what it will cost to move. Even to have the telephone number transferred along the road, without physically moving the instrument, is £15. Furniture removal, extra insurance, having curtains altered, changing the locks and so on, all add up.

Getting solicitors to commit themselves on total conveyancing costs is often difficult, although things are improving. Anthony Holden Crofts and Company, 54 The Grove, Ealing, London, W5 5LG, a firm of solicitors who set up in practice three years ago, have produced a free booklet, Buying and Selling Your Home. Apart from the useful step-by-step guide, covering everything from deeds to deposits, it offers a remarkable cost sheet.

Whether your home is £35,000 or £350,000 or more, freehold or



Above: Marchwood Gate, Chichester, Sussex, neo-Regency houses and flats from £85,000. Details at the show units open every day, or from Simon Johnson, Dowland (0243 774448)

Right: Prince Charlie's House, The Causeway, Duddingston, near Edinburgh, is where the battle of Prestonpans was planned. The 3 bedroom cottage is priced in the region of £47,000 through Bernard Thorpe (031 226 4484)

leasehold, the firm's charges are £200 plus VAT. This normally includes all legal costs involved in paying off any existing mortgage and taking out a new one. To this amount, of course, must be added the statutory charges.

As an example, on a £60,000 purchase, on top of the £230 (fees plus VAT) go stamp duty £600, the land registry fee £145, and the local search fee £15.50, making a total of £990.50.

Christopher Crofts confirms

that this is what a client will pay. "There are no extras hidden away in that magic little word disbursements."

The fact that some estate agents were open over the holidays points up the fierce competition to get both sales and instructions on family days out. Fox and Sons' Hampshire offices opened on Good Friday to launch their Easter Special property booklet. (Free from Godfrey Winterson, sales director, Fox's, 32-34 London Road, Southampton.)

Mr Winterson reports strong

interest in New Forest and Test Valley cottages from £72,000, and sturdy, late Victorian houses in the £135,000 range.

"In south Hampshire, prices have nearly trebled over the past 10 years, and there is no reason why steady appreciation should not continue." He considers that it is now a perfect market in which to buy and sell, with a reasonably well-equated balance of demand and supply, with a constant turnover of properties.

June Field

Briefs



Standon Massey House (see Essex)

PROPERTY ROUND-UP

● Buckinghamshire: Clare Sudbury, Raffety Buckland, Beaconsfield, reports more than half-a-dozen inquiries a day for properties in the £200,000 and upwards class. More than 30 prospective buyers viewed Finchers, an eight-bedroom, four-bathroom house in 29 acres at Beaumont End recently, and it sold for more than £1m to a local buyer.

● Essex: Bernard Stewart-Deane, Bidwells, Cambridge, is selling the 1800-built Standon Massey House in 97 acres near Chipping Ongar. He says that the fine estate with considerable sporting and conservation potential should appeal to "someone seeking a country seat close to London, and who has a horse-loving spouse who would want to run the indoor riding-school."

● Kent: Christopher Calvert, Strutt and Parker, Canterbury, records a new surge of confidence in the market through the combination of the opening of the M25 and the decision regarding the Channel Tunnel. "This year houses will break the £300,000 barrier in East Kent, an extremely rare level in this part of the county."

● Scotland: John Bound, Finlayson Hughes, Inverness, marketing Cantray House in 40 acres on the banks of the River Nairn at £300,000, is highlighting the convenience of Dalcross airport, just a 10-minute drive away. "This means a businessman can work in London during the week and come home to the Highlands for weekends. The yearly cost of the weekly air travel would be only just over double the rail season ticket between, say, Petersfield and Waterloo."

● Sussex: Dowland Construction's new village-style houses and bungalows at Priors-Acre, near the 12th century Priory at Boxgrove, West Sussex, are designed by the Gritcheil-Hartington Partnership. Each variation is named after other priories in the area—Tortington, Hardham, Shulbrede and Michelham. Prices are from £82,950, and Michael Brandon, Jackson-Stops and Staff's Chichester office, is operating a strict reservation procedure. Nothing can be reserved if it is subject to the sale of your own home, and proof is required that your contracts are exchanged and completion agreed within four weeks. In return, after a 1 per cent deposit is paid on anything in Priors Acre, the vendors agree not to sell the property to anyone else.

● Worcestershire: Quality Property on the northern edge of the Cotswolds is now in demand, says, Gubben King, Banks and Silver, Worcester. "London, Paddington, is only an hour and 50 minutes away by train, and the new M42 motorway links the M5 and M1. And with faster journeys to Birmingham, prices of good country houses are moving up." Something "fairly rare" in the area is Brook Croft, in 11 acres at Great Comberton, with frontage to the River Avon. The price is £250,000.

● Yorkshire: Victorian vicarages attract a premium because of their solid construction and sheltered position in the village, maintains Tim Blenkins, Jackson-Stops and Staff's York office. On offer now is the former vicarage, Pheasant's Rise, Langthorpe, north of Driffield in the Yorkshire Wolds. It dates from 1877, with a plaque above the front door commemorating the jubilee of Queen Victoria. The six-bedroom house is £95,000.

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TRAVEL • MOTORING

# The many faces of Bangkok

**POOR Thailand:** An independent country which, almost alone in Asia, avoided the clutches of western colonial powers in the 19th century, a religious country in which virtually every male becomes a Buddhist monk for some period of his life; a beautiful country, ranging from unexploited jungle in the north to under-exploited tropical islands in the south; and yet now most famous as the sex capital of the world.

The passivity, poverty and beauty of the people played into the hands of the Americans, a glimpse of a safe and looking for a safe and recreation bolt hole for its army in Vietnam. Now, much to its chagrin, Thailand, most especially Bangkok, has a reputation for salacity.

Perhaps it is best to face facts and get the subject out of the way, for it would be a blundered visitor who did not stroll through Patpong, the main sex centre of the city (viral neighbourhoods have developed to cope with the demand). Its very name makes it unthreatening. Most tourists go to goggle, so that what is really a matter of just three short streets becomes one vast open air theatre. There is no danger and not too much badgering; just, for westerners, a glimpse of how everything is up for sale when power is hand-in-hand with the absence of Protestant non-conformist conscience.



Traditional style: Thai dancers

I went with a group of journalists, the majority of them women. Clubs offer basically the same show and entrance fee—around 45 baht (about £1.20), and for this you get a beer. For most tourists, it is more than enough to drink your beer while, on the bar counter a foot or so away, three or four girls, all quite naked, go through party tricks with cigarettes, ping pong balls, bananas, and chop sticks. It has about as much appeal as watching an amateur conjurer and the lack of mystery and sensuality, makes it depressingly unenriching. There are "massage" rooms above most bars where the tourist can take the girls.

The British hackettes were soon after a more meaty story, so on to the next club where the beer was 50 baht which you get gratis. The show for your jaded imagination. There are also bars where the girls are selected by number.

Patpong is certainly worth a detour. It is a good natured, garish, shocking more to the mind rather than to the body, a night out for giggly tourists rather than the gateway to decadence and debauchery. Not surprisingly there is hardly a Thai in sight. They are sent to the enormous massage parlours which look like government ministries, located on the vast avenues that divide up Bangkok. Here you can actually get an excellent massage for around 200 baht—and then the coquettish haggling starts.

Most hotels are unable to stop guests returning with girls, but

we stayed at the Oriental which stakes its reputation on its celibacy. Like Patpong it is a tourist attraction in its own right. Every few years it rebuilds itself but it never disturbs the old structure; the hotel of Coward and Maughan, the hotel where Conrad relaxed after navigating his coaster up the Menam Chao Phya, the river that dominates Thai history.

Sitting on the terrace of the Oriental is the best place to start a visit to the real Bangkok, the 200-year-old city whose attractions are its temples, its people and its food. The first realisation is that Bangkok has not yet been ruined by modern skyscrapers. They are coming quickly but for a few more years this will be a Thai city, its streets awash with people eating at the hundreds of stalls and markets, haggling, staring, usually smiling, small scale. Tucked away behind the grey buildings are the temples which have obviously received all the surplus wealth of the Thais for centuries. It will perhaps be enough to see the temples of the Golden Buddha, the five-and-a-half ton solid gold Buddha discovered only in 1953 caked in concrete, and of the reclining Buddha, leaving the remaining 398 in Bangkok for another time.

Serious sightseeing should be concentrated on the Grand Palace built just more than 200 years ago and a combination of Westminster Abbey and the Tower of London. This is where the kings lived and the nation worshipped. Walled and covering one square mile, it is an overwhelming mass of visual images—gold leaf and coloured stucco, gilded tiles and Italian mosaics, gaudy and ostentatious, a confection made of hundreds and thousands. Too rich for Western taste, perhaps, but redeemed by the obvious good and to be recognised as such.

The Grand Palace becomes more comprehensible when you move away from the vast good and to be recognised as such.

The Grand Palace becomes more comprehensible when you move away from the vast good and to be recognised as such.

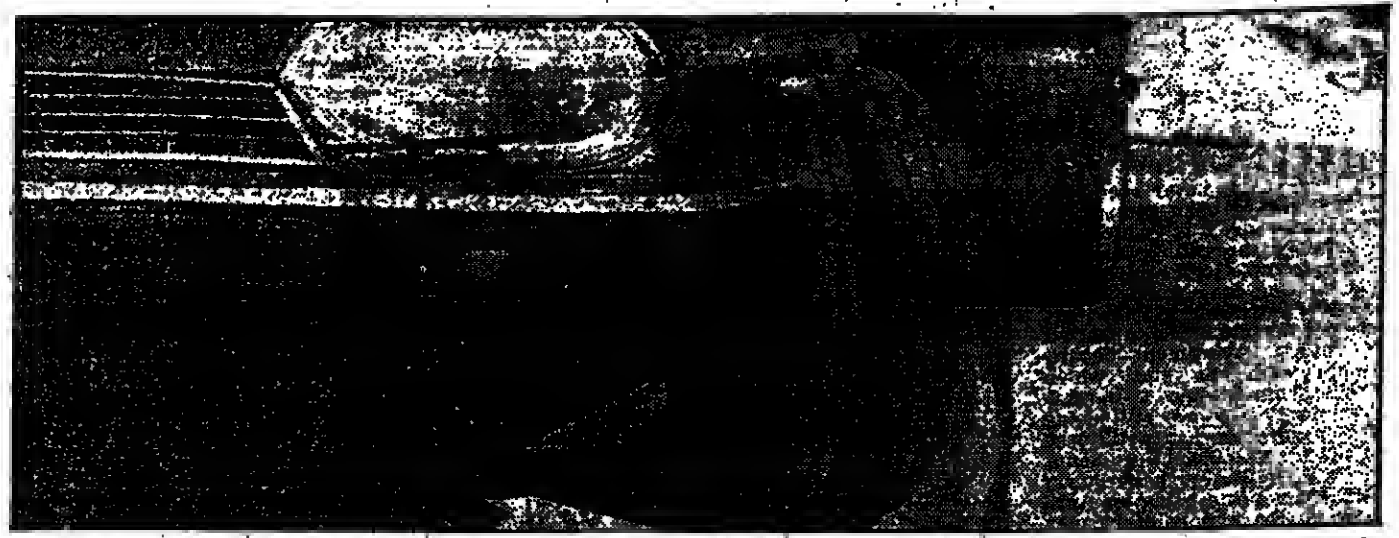
Bangkok is, geographically, an impossible city for the tourist to get to grips with so its best to take a "tuk-tuk," an unsteady but exhilarating three-wheeled scooter riding the roads with the driver, usually around 40 baht, before getting on. Other transportation which should be tried is the "dragon tail" speed boat which shoots up and down the river. An early morning trip along the canals to Watsai market, half an hour's spray splattered journey from the centre, is exciting and economic (around 180 baht a head). This market is not too far from the river. At 7.30 you can mingle with the locals and pick over pineapples and peppers, cauliflowers and cumin, every fruit, vegetable, and spice you ever knew and some you didn't.

Another "must" in Bangkok is a boat trip up river to the palace at Bang Pa-In, an intriguing mixture of Thai, 18th century French and Victorian English architecture, with voracious carp in the lakes, rose gardens, and a touching memorial to a royal concubine and her children who drowned because servants were not allowed to touch such notables. It was erected by the Crown Prince pupil of the English governess Anna (played by Deborah Kerr), although the film "The King and I" like the song "One night in Bangkok" are banned in Thailand).

Not far from Bang Pa-In, Thai history goes back over 600 years at the ruined Ayutthaya, the old capital before it was razed by the Burmese in the 18th century. The towering pagodas, scorched and desolate, built to receive the ashes of a king, are a useful reminder of the strangeness and antiquity of the country. The nearby market and the temple where, after offering gold leaf, a lotus flower and rice you can scatter the sticks which tell your fortune, have only changed over the centuries to the proliferation of western consumer goods (often made in Taiwan and sold at prices below those of Hong Kong).

You cannot make the most of Bangkok if you play the tourist, going on organised trips and eating in the hotels. The place gives away little; the best secrets are discovered off the main streets which have recently been built in an attempt to cope with the traffic chaos. The hotels are particularly anaemic over Thailand food—it is invariably watered down for western palates. So after getting to bed early following a quick dip into Patpong, rise at dawn for the roller-coaster ride to Watsai market, and a mind improving tour of the Grand Palace then take a tuk-tuk to Sorndaeng restaurant in Rajprasong Centre. I can recommend the steamed serpent head and the inflorescence of banana salad.

Antony Thorncroft



Two thin tyres replace a single low profile tyre on this Jaguar XJS. They defeat the aquaplaning problem and ride comfort is unaffected.

## Twin solution ends aquaplaning

**HOW MANY** tyres should a really high-performance car have on each wheel—one or two?

Conventional wisdom is that while twin tyres are fine for heavy lorries, one is all right for a car providing it is wide enough to put the power on the road and grip during cornering. But Jerry Juhon, of Geneva, begs to differ. He says the way to make fast cars safer, especially in wet weather, is to replace a fat tyre with two thin ones, mounted side by side and with a gap in between them wide enough to push your hand into. The reasoning is quite simple. Fat tyres aquaplane with embarrassing ease when there is a few millimetres of surface water and that can lead to loss of control and possibly to disaster. If you put a big enough drainage channel down the middle of the fat tyre's tread, it is going to look like two thin ones mounted side by side. So why not have two thin ones anyway and get the benefits of two air chambers?

It would allow the spare tyre to be dispensed with because if one tyre punctured, the car could be driven on the other. It is providing, of course, that its inflation pressure was increased to let it carry double the load.

When Juhon unveiled his concept earlier more than two years ago at Frankfurt Show, it attracted more scepticism than support. But he persisted, using narrow section V-rated (over 130 mph) tyres made for him by Goodyear.

He and Goodyear found they could get along together and his

tyres are now being made for him in England by Avon, the independent producer which also supplies original equipment to Rolls-Royce, Bentley and Aston Martin.

The concept is really taking off among owners of high performance cars if not yet to any great extent among their manufacturers. But at least it has progressed from the developmental stage to one of industrial production.

Avon is now turning out 1,400 narrow tyres for twin fitment each month—enough to fit 175 cars. Each car needs eight tyres, not 10, because there is no spare. Output will soon reach 6,000 tyres monthly and both Avon and Juhon are confident of a total production of 500,000 tyres in 1987. And that, they say, will still be below world demand.

So far, JJD (Jerry Juhon Developments) twin tyre/wheel units have been fitted almost exclusively post-purchase by owners wishing to eliminate the danger of aquaplaning. And, no doubt, to make their cars look different.

Mainly, they are going on to cars in the Jaguar, Porsche, Ferrari, Mercedes and BMW class which would normally have single tyres of anything from 70 series (the Jaguar) to as low as 45 series (Porsche). The lower the series number, the fatter the tyre, because the number indicates the percentage of section height (from rim to tread) compared with the tyre's width.

The benefits of twin tyres in defeating aquaplaning are beyond argument. And, which

on distance can be measured in thousands of miles, not a hundred or so.

But if the driver does not know he has lost a tyre and continues until the overloaded survivor blows out, who will be to blame for the accident that might result? On the basis of law suits in the US, it would inevitably be the tyre maker, car maker or both—or so the industry believes. That being so, they insist that the twin tyres are only safe to use on a car if it is fitted with a deflation detector that warns the driver when a tyre has punctured.

There are such systems, but they are expensive—about the same price as a good car radio—and not yet commercially available. So far as the "kissing" problem is concerned, Juhon says it is nothing to be concerned about though the tyre and car makers are not so sure.

The twins have passed many performance and endurance tests, conducted by independent institutes in Germany and elsewhere, with flying colours. They are on sale now for cars as diverse as the VW Golf GTI to the Mercedes-Benz 500, Ferrari Testarossa to Opel Senator.

If you are interested, call Juhon at Geneva 32 72 20 or write to his UK representative, John Pickwick, at 12a Maddox Street, London, W1R 9PL. They would make your high-performance car easier and safer to drive fast in pouring rain and would arouse a lot of interest when you parked it on full lock in the High Street.

Stuart Marshall

## Elegance in the shadow of Eros

**FEW PLACES** in London can boast a swimming pool that could grace an Esther Williams film set. The 12-metre pool at the New Piccadilly, a few yards away from Piccadilly Circus, can make such a claim. Blue and gold painted balustrades, tastefully draped nautical, odorous water, elegant chaises longue and a library to relax in after exertion set the tone in London's most expensively refurbished hotel.

The actual re-opening last August was not a gala event. "The hotels' then owner, Arthur Bell, the Scotch whisky distiller, was at that time locked into a bloody but ultimately unsuccessful, battle against a takeover by Guinness, the brewers.

The hotel, part of the five-hotel Gleneagles group which includes the five star Gleneagles Hotel, had caused Arthur Bell considerable financial embarrassment: a protracted 10 months closure with costs rising to more than £14m. The opening, in fact, provoked more a sigh of relief than a glow of glory for its owner.



The drawing room of The Gleneagles Club, New Piccadilly Hotel

Eight months on, the management of the Piccadilly—now owned by the Prospekt for 310-bed hotel. As yet without a star listing, but destined for five stars, the Piccadilly nestles in the middle-price range of London's 17 five-star hotels with a minimum price of £125 a night.

It is the pool and its accessories, gracing a space that once housed a masonic lodge that gives the hotel an unique selling point in a city where hotels such as the Ritz boast earlier unblemished pedigrees and others, such as the Hyatt Carlton Tower, sparkle with a bland mid-Atlantic opulence.

No other hotel in London other than the Piccadilly offers such a range of leisure facilities: whirlpool, solarium, body building equipment, glass backed squash courts, billiards room and night club.

The pampering on offer is packaged as a club—offering all the aura of an exclusive London gentlemen's club. The facilities come free to guests but cost more than £90 to non-guests, who are discreetly vetted. There will be a recovery of equity within three years if the hotel gets around 1,500 paying members; at present there are 900.

Many of these are drawn from London's prospering public relations, media and lawyer classes.

"My office is just two minutes walk away and the club has all the facilities I need," says Patricia Bloomfield, a director of a marketing consultancy, nestling on a tasteful pink sofa in the drawing room after her lunch-time workout. "I thought at first it was expensive but one bag to take account of the convenience factor. The club is clean and the service is superb. I don't come in the evenings after the night club however, as the atmosphere has not really built up yet."

Just as the plump cushions on the sofas are still increased, so the hotel has yet to develop its lines of character. This takes time, notwithstanding the elaborate efforts by consultants and interior designers to recreate the hotel's Edwardian heritage. At present, the "atmosphere" has to be staged.

"We are primarily after the business market," says Peter Tyrrie, managing director of the Gleneagles group of hotels. "We welcome fully-inclusive holiday tourists but we will not take large holiday parties. We do not want people moving en bloc from one

area to another. It would destroy the ambience. People come here to be individuals and to be recognised as such."

Certainly many of the guests lounging in the public areas have the aura of expensive middle-aged America. The hotel feels itself to be on this international circuit. It is included in prestigious travel agents' brochures like Abercrombie and Kent's The Country Houses of Britain and Ireland.

According to Mr Tyrrie room occupancy rates are good, with the hotel on course to achieve an above average for Central London in its first full year of trading. It is too early to judge, he says, whether or not the hotel is successfully holding its guests for dinner in an area where Soho is just a few minutes' walk away.

Certainly there is a restaurant in the hotel for every mood including the light-hearted Terrace Garden restaurant with its glass, barrel-vaulted ceiling.

"The idea, developing from the club through to the restaurants and shops, is to hold the guest within the property," says Mr Tyrrie. Given the hotel's location, it is a tough objective.

Tucked away on a separate floor a suite of conference

facilities with a total square footage of 30,000 feet. Again, it is too early to say whether or not this is succeeding in attracting London's burgeoning ranks of conference goers, but the rooms are as attractive as the best on offer.

"This hotel will make more money than any other in the group," says Mr Tyrrie. He admits there is a strong financial incentive for the management to perform: a complicated 125-year leasing arrangement demands that some 60 per cent of profits—after management charges and capital depreciation—be paid to the Kuwait Investment Office, which acquired the lease in 1983 in a deal with the Gleneagles group.

The New Piccadilly is very much Mr Tyrrie's baby: its acquisition is part of his strategy to give the Gleneagles group a London flagship from which he hopes to establish a small international chain of hotels. Just how Guinness intends to develop the group is yet to be seen now Tyrrie has announced that he is to become managing director of the Far Eastern Mandarin group of Oriental hotels.

Lisa Wood

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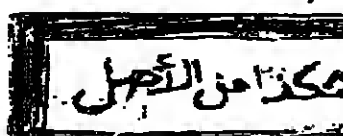
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Her Majesty's Stationery Office

# Pen-pushing by appointment

RED TAPE has never been red, it has always been pink. No one knows why it got called red—possibly according to the same perverse logic which dubs red hunting coats pink. But it is oddly satisfying to know that the people who officially started to supply government departments with the stuff which Dickens made into a bureaucratic metaphor are still doing it 200 years later; it is still used to bind loose official documents.



Until His Majesty's Stationery Office came into being on April 5 1786, the supply of "paper, pens, ink, wax, sand, tape, penknives, scissors, parchment and a variety of other articles to the Exchequer, Treasury and their offices" was the prerogative of a certain Usher of the Exchequer. It was also his job to make sure that the Exchequer gate was shut every evening.

The Usher was not the cap-touching sentinel of the lobby. The job was a lavish sinecure last held by Horace Walpole, who some said made £5,000 a year out of it. Prompted by a Treasury official called John Mayor, William Pitt decided that this would not do, and HMSO began its career with Mayor at the head of a chief clerk, four clerks, three journey-men, six porters, two carmen, three horses, a farrier and "incidental expenses (sic) including necessary woman." Now there are 3,400 staff doing business worth £200m a year with all government departments.

Pitt's aim was to cut costs and eliminate corruption. HMSO would procure all the "stationary"—items that stayed on the desk—that Exchequer offices needed, at the best price, with no profit motive and with salaries paid by the Treasury. Even so, in 1823 the Comptroller was investigated for showing favouritism over contracts. He was so overcome by the ordeal he suffered apoplexy and died.

The equipment they supplied was not always the best. On William IV's accession in 1830, Creevey wrote to his step-daughter that a Privy Council friend of his had just come from the palace, where "the

only observation he heard from the Sovereign was upon his going to write his name upon parchment, when he said: 'You have damned bad pens here'." HMSO grew and prospered, however, often because of its cost-cutting efficiency. But though his predecessors as Comptroller had fought for years for a pay rise, it was not until 1838 that John McCulloch improved on Mayor's £600 salary, by £200. He did it by petitioning for increments for his staff (by now numbering 44), "but preferred no petition to his own income, his friend John Murray recorded, McCulloch subsequently received two silver claret decanters from a grateful staff. It was not a hard job. John Murray reckoned that McCulloch had to give his attention "not perhaps averaging an hour or at most two hours a day, often not five minutes." With it came an elegant residence overlooking St James's Park which also served as the office, plus "coal and candle."

What luxury he lived in has never been revealed, but if a surviving hand-written scrap of about the time is anything to go by, he was a man of catholic tastes. "Articles Required for the New Room. Mr Cuthbertson (HMSO)" is a list including: 1 Piano (Broadwood preferred); 1 Trombone; 1 copy Hallelujah Chorus; 1 tuning fork; 1 quire Music Paper; 1 Liqueur Stand; 1 Corean Jug; 1 Grog Kettle; 1 Sourepan (for Beans); 1 Potato Steamer; 1 Copy Beeton's

Cookery Book; 1 Ashura Kettle; 1 Dressing Case Fitted; 1 Tooth Brush (secondhand, if new not allowed).

In 1841, several messengers were caught and sentenced for selling waste paper. Under the guise of a need for security, McCulloch decreed that in future "waste paper and old articles of stationery of every kind must be collected and delivered to the Comptroller of the Stationery Office... to be sold by him on behalf of the public." In a decade the sale of waste was worth £13,400—equivalent to the pay of the Comptroller, Assistant Comptroller and the senior staff of the Stationery Office in both England and Ireland.

Between 1881 and 1887, 10,000 tons of waste paper accumulated in parliamentary offices. To render it illegible and secure it was sent to prisons to be torn up by prisoners, who could presumably be trusted to be illiterate. The Home Office objected to the practice as "improper" and in 1885 HMSO took on 52 girls for £1,200 a year as shredders; the sale of the resultant scraps earned £11,300 a year.

That was during the reign of Thomas Digby Pigott whose appointment caused questions in the House; his father was a friend of the Prime Minister, Disraeli (by then Lord Beaconsfield). Digby Pigott's resignation was demanded; Disraeli replied that he did not know the man and, even if he did, he thought he had voted against him at the last election. Digby

Pigott later became Sir Thomas and held office for 28 years. By 1876 the Comptroller had received a number of requests for Christopher Latham Scholes' invention, the typewriter. Having taken advice from several people who had tried them, he did not think they had much practical value. (The Post Office was no quicker on the uptake. In 1879 a Colonel Reynolds called on the engineer-in-chief, R. S. Culley introduced himself as the London representative of Alexander Grambell and offered a demonstration. Culley declined; he thought the telephone's possibilities "very limited.")

When they were accepted, typewriters caused a considerable social problem in the all-male HMSO, for they were operated by women. Two typewriters were bought, the typists had to arrive 15 minutes later and leave 15 minutes earlier than the others and since the Controller (as he was by 1902) only came in on Mondays and Saturdays they had the key to his lavatory on the other days. Fascinated staff could get a lift to their room to watch them working their machines but this had to be returned in a matter of minutes. Only a select few were allowed to use the telephone—notes were sent by messenger for years to come.

HMSO could be inventive. Sir Frederick Atterbury, Controller from 1913 to 1919, recorded: "Shortly before midnight on Saturday 1 August 1914, I was asked by the Treasury when I could arrange for an issue of one-pound Treasury notes within a week of that date." Legend has it that Atterbury drew the first pound note in his living room there and then, gave it to Waterlow Brothers to print on stamp paper the next day, and by the Friday four million £1 notes were in the hands of the bankers.

Her Majesty's Stationery Office: The story of the first 200 years 1786-1986, by Hugh Barty King. Published by HMSO, price 25.

Simon Tait

## Collecting

# A magpie's hoard of gadgetry

COPYING machines are nothing new. Back in the early 1800's there was a version that produced several copies of a document or drawing at the same time.

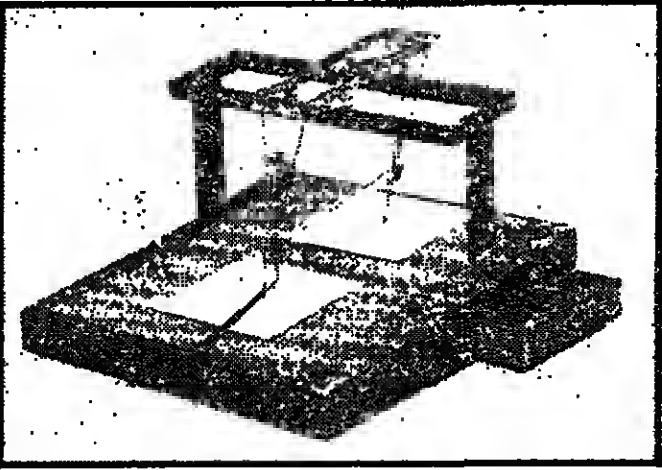
A writing machine was invented by Sir Marc Isambard Brunel, the civil engineer who built the first tunnel under the Thames at Rotherhithe.

To save taking a clerk with him on his travels he thought up the idea of a writing box operated by a system of two quills. They were joined together by a series of levers so that the handwriting is exactly reproduced, even to the extent of dipping the nibs in ink and shaking off the surplus. It was patented in 1799.

This is just one of the significant collection of scientific machines and related gadgets made by Henry Cecil, the 10th Earl and 1st Marquess of Exeter who lived in Burghley House from 1793 to his death in 1809. A magpie-collector, he was always keen to keep up with the latest gadgetry.

You can see some of it in "The Gentleman Collector" exhibition at Burghley House, Stamford, Lincolnshire, until October 5.

The objects were assembled by Sotheby's Jon Baddeley. He discovered them, often in pieces which had to be cleaned, re-



Writing machine designed by Brunel in "The Gentleman Collector" exhibition at Burghley House, Stamford, Lincolnshire.

stored and identified, in such unlikely places as the dark nurseries, the courtyard barn, and one of the tower storage rooms. Some items were still in their original cases.

But a four-inch retracting brass telescope made circa 1840 by John Murrell had its top in the cellar, its mount in the attic.

The operator's hand tools and chucks were finally reunited with the early 19th century treadle-operated ornamental

telescope. Such received a boost through Halley's Comet, start at about £300 to £400 according to their sensitivity and utility. Spy-glasses, depending on their decoration, cost a little less.

Library terrestrial and celestial globes, another Cecil favourite, can go up to £1,500 or £2,000 and more, depending on whether the print is rubbed or missing on the globe, and the quality and ornateness of their stands.

Jane Field

## Gardening

# Green and lovely national assets

WE MAY no longer be world manufacturing leaders but we have no need to apologise for our ability to make beautiful gardens. Visitors from the rest of the world have a choice of several thousands covering almost every imaginable style and scale of garden making. We also produce the best annually revised guides to these gardens.

The two most comprehensive guides could scarcely be more different in origin and presentation. "Gardens of England, and Wales Open to the Public" is published by a charitable organisation, the National Gardens Scheme, 57 Lower Belgrave Street, London, SW. This is concerned solely with gardens that are opened for charity, many of them on only one afternoon a year, a rare opportunity to peep into gardens that would not otherwise be open to public view. By contrast "Historic Houses, Castles and Gardens" is produced by British Leisure Publications and is concerned with gardens and properties open as tourist attractions, usually for profit, though some do also open for charity on certain days.

Presentation is also very different. "Gardens Open to the Public" which costs £1.00 (or £1.40 direct from the charity) makes little attempt to be glamorous but contains a great deal of information which is of interest to garden lovers. "Historic Houses, Castles and Gardens" costs £2.95, is bigger, glossier and its horticultural information is much sketched. It is intended for the general tourist rather than the specialist. Both books are widely available from bookshops and newsagents and, though they overlap a little, I find both indispensable.

There is no Gardeners' Sunday guide this year as that charity has combined with the



National Gardens Scheme which in future will be contributing to the two gardening charities, the Gardeners' Royal Benevolent Society, which looks after the elderly, and the Royal Gardeners' Orphan Fund which cares for the young. From my early study of the "Yellow Book" it would appear that nearly all the garden owners who might have been expected to support Gardeners' Sunday have approved the organisational and financial advantages of the merger and so the "Yellow Book" is bigger than ever with well over 2,000 gardens. For potential visitors it is certainly very convenient to find all the information about these mainly privately-owned gardens in one book.

The comparable list of gardens opening for charity in Scotland is "Scotland's Gardens" which costs 90p at bookshops etc, or £1.30 direct from Scotland's Garden Scheme, 31, Castle Terrace, Edinburgh. The presentation is a little glossier and there is a map showing the distribution of the gardens, but the text is usually high quality. Even the swimming pool has been com-

pletely integrated into the design and is bordered in roses in summer.

National Trust's "Properties Open" booklet which costs only 50p (or 80p direct from NT headquarters, 38, Queen Anne's Gate, London SW1), because it contains a lot of additional information about both gardens and houses.

To give an idea of the variety and excellence of the gardens that can be visited in Britain this year, here are a few that I happen to have seen and enjoyed recently.

Greencombe is in Somerset, near Porlock, where Exmoor sweeps down to the sea. Forests have grown here for centuries and the Greencombe garden is mainly made in woodland. It is filled with fine plants splendidly organised in an apparently natural way but with a very high standard of maintenance. Greencombe is very beautiful, entirely the creation of the gifted Miss Joan Lorraine, and can be seen on April 27 and again on June 25. In total contrast, except that it also owes much to a lady, the Hon Mrs Smith-Ryland, is Sherbourne Park a few miles south of Warwick. This is a garden of many interlocking parts, some made around a fine old mansion, some beside the splendid Gilbert Scott village church with its unusually high steeple. Even the swimming pool has been com-

pletely integrated into the design and is bordered in roses in summer.

Another garden in which enclosures are a central feature can be seen at the Postern, almost within sight of Tower Bridge in Kent, yet so buried in the country that one could pass the narrow lane leading to it a thousand times without knowing it existed. Here the design is by a contemporary landscape architect, Anthony and Gard Pagley, and it is interesting to note the differences between the professional and the amateur approach. It is a varied and very fine garden.

Heale House in Wiltshire is not far from the main Salisbury to Amesbury road yet almost hidden away that the directions in the "Yellow Book" must be followed closely to be sure of finding it. What awaits the visitor is a delightful stone house in which Charles II hid after the battle of Worcester, the loveliest Japanese tea house in Britain, and a garden that has known several famous designers, yet owes its present beauty to the skillful and unrelenting care of the present owner, Lady Anne Rasch; Not long ago it won a prize as the best garden in England.

Arthur Hellyer



## Saleroom

# Treasure trove

MONA BISMARCK liked jewels. In the daytime it was large pearls; for evening wear she favoured diamonds, sometimes switching to a chain of emeralds or a parure of rubies. She only occasionally slipped off her jewels, to indulge her other passion, floating out to sea. The Mediterranean, of course.

Bismarck was the name of one of her six husbands, but he was her greatest conquest, a scion of the Prussian noble house. She had once been Mone Strader of Nashville, Kentucky. She died in 1983 and the jewels that graced her salons in Paris, the Riviera and Capri come under the hammer at Sotheby's in Geneva on May 13.

The 41 lots contain some very grand items, including a diamond ring by Cartier, with a stone weighing 31.77 carats, which according to David Bennett of Sotheby's jewellery department, is "potentially flawless." Mona Bismarck would not have liked the implied criticism. Perhaps the stone was flawless when she received it in the late 1930s and only wear and tear has marked its surface. Still, a craftsman can erase the imperfections, with the loss of very little weight, and the ring could then be

worth even more than the \$700,000 that Sotheby's anticipates.

Her other jewels are an interesting mix of the (fairly) modern and the antique. In recent years antique jewellery has returned to favour, and an early 19th century festoon necklace, dripping with diamonds, could exceed its \$75,000 estimate. Mona Bismarck was most fond of her pearls, but these are currently the most unpredictable sector of the jewels market. Even so, a two-row necklace with a diamond clasp could approach \$100,000. All the jewels bar back to a dead ear, when there was little shame in being ostentatiously rich. They should be snapped up by more discreet bidders.

Sotheby's needs a good headline-snatching auction of jewels, because this has been a troubled market in recent years. This is particularly true of the main investment sector,

diamonds. There was a mad rush into diamonds in the late 1970s when they became a rich man's commodity market. Prices peaked in 1980 and have since fallen back to the levels of the mid 1970s. A one carat "D" flawless grade diamond might have sold for \$70,000 in 1980; the same stone could be worth \$10,000 today.

With De Beers' traditional influence over the market, undermined by increased Russian and Australian production there is little expectation of diamond prices rising rapidly. But the worst could be over; there has been stronger demand this season for coloured diamonds as well as for the large and the flawless.

Other jewels did not suffer from the same speculative interest, although the overthrow of the Shah hit the emerald market hard. Basically, rubies from Burma are rare and almost beyond price, while rubies from Thailand and Sri

Lanka raise much less interest. Top quality sapphires from Kashmir, Burma and Sri Lanka, have an edge on the stones from Thailand and Australia, and, in every sector, large stones of good quality are the only ones worth considering.

But while jewels have been unpredictable, "colours" pieces, in what the stones have been built up into works of art, have been gaining steadily in favour. At first it was art nouveau and art deco jewellery but now Victorian jewellery has become very fashionable as art historians burrow away, isolating certain makers and calling them masters.

The dispersal of the jeweller John Skeelton's personal collection last year established records for the Gluckman family, and workmanship rather than the intrinsic value of the stones, has become paramount. The human touch has returned to the collecting of jewels, it should extend to Mona Bismarck's chokers and pendants, bracelets and ear rings. Jewels for personal decoration are back in favour: jewels as investment stones in safe deposit boxes languish unloved.

Anthony Thornicroft

# When you get that old feeling...

MIRIAM Schoning thought until she was 56 that she was a healthy woman. She was careful about her diet and thought she was getting enough exercise. Like most people, she put odd aches and pains down to the ageing process.

Her only problem was sensitive gums, which she mentioned to her dentist. He advised her to consult her GP at once. Miriam was suffering from

potentially crippling condition, osteoporosis. Ironically, her "healthy" lifestyle may have contributed to it.

Lack of dietary calcium is thought to be a major factor in the development of osteoporosis. Most of us in western society are unaware that it is almost impossible to achieve the minimum daily intake of calcium necessary for health. Stimming diets high or low in protein and high fibre diets are all implicated. Few women over the age of 14 absorb enough calcium. The result, after many years, may be osteoporosis.

Essential for the health of bones and teeth, calcium also plays its part in heartbeat, blood clotting and the nervous system. If there is insufficient calcium in the food we eat, our bodies take the calcium from our bones, which as a consequence become weaker and more brittle.

The signs of osteoporosis are most commonly seen in older women. This group is more prone to broken bones, particularly hip and leg fractures, and a stoop—the classic "dowager's hump"—caused by spine deformity. Osteoporosis also causes loss of height creating a "little old lady" look.

Osteoporosis is sometimes treated by hormone replacement since the reduction in protective female hormones after the menopause has some influence on the condition. But new evidence indicates that osteoporosis may begin to develop much earlier, even in teenage, in both men and women.

Miriam's condition is considered quite advanced. There are probably thousands of middle-aged women in whom similar signs have gone unrecognised. Miriam was fortunate that hers were spotted by an astute dentist.

"Even then," she says, "the sort of treatment you get depends entirely on the views of the specialist you're referred to."



HEALTH

bone loss. She takes daily calcium supplements to slow down the progress of osteoporosis. But calcium supplements alone have relatively little value compared with supplements which combine calcium, vitamins and minerals. A recent American study showed an improvement in bone density two to three times greater than that achieved with calcium supplements alone.

Most doctors prescribe simple calcium supplements, rather than the combined variety—that is, if they bother to treat the condition or even recognise it. Relatively few expectant mothers are advised to take calcium supplements, even though the body's need for it increases during periods of stress such as pregnancy.

Miriam believes that advice about the prevention of osteoporosis should be widely available to enable more people to take responsibility for this important aspect of their health.

**AVOIDING OSTEOPOROSIS**  
Get plenty of weight-bearing exercise  
Avoid alcohol and fizzy drinks as much as possible if they inhibit calcium absorption

Be sure to eat some meat and dairy products if you are pregnant  
Take a combined calcium supplement every day if you have a sedentary lifestyle

Consult your doctor if you are postmenopausal and suffer from backache, weak ankles or gum disorders  
Ask your doctor whether any drugs you are taking can inhibit calcium absorption, or whether you have a condition which may prevent use of calcium supplement

Don't smoke  
Don't drink more than three cups of coffee a day  
Don't lie in bed or sunbathe too often  
Don't go on crash diets

Cate Campbell

# CHRISTIE'S LONDON

## Chippendale at Christie's

On Thursday next (April 10) Christie's will be selling a distinguished group of furniture (including the mirror shown left) made by Thomas Chippendale for Harewood House, Yorkshire. Documented furniture by Chippendale seldom appears on the market so this sale provides a marvellous opportunity for anyone interested in acquiring a piece made by the greatest of English cabinet-makers.

Catalogues £10 available from 8 King Street.

Sale View 6 April 2 pm-5 pm  
7-9 April 9 am-4.30 pm

For further information please contact  
Hugh Roberts or Charles Cator at  
8 King Street, St. James's, London SW1Y 6QT  
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## BUYING ART?

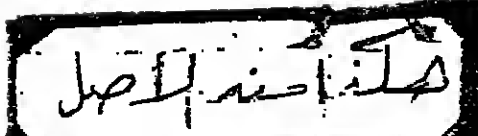
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DIVERSIONS

# The latest fringe benefits

THERE is no easier way to look dated and dowdier than your years than by never changing your hairstyle. A few classic beauties could get away with anything but most of us need all the help we can get. That help has never been more sophisticated or more widely available than today.

Today, health and shine is what the best hairdressing is all about. Primping locks into strange, unnatural shapes is very much looked down upon. Most of the best saloons expend at least as much effort on conditioning and putting right the sort of disasters that befall the average head from time to time as upon the finished cut and blow-dry.



Lucia van der Post

If you want a new look this spring you could hardly choose a better time. There is a stronger, sharper look about than has been visible for some time but the faint-hearted shouldn't take fright—there are several styles, encompassing both long and short hair, that seem to sum up the mood and movement of spring '86.

Short, sharp and boyish is perhaps the most adventurous. However, it is much more feminine than it sounds because there is very little layering and the topmost layers are kept long, giving a thick, full effect. Fringes are very much in evidence and either cut a rich swathe across the face or are feathered for a wispy look.

Those who are not old enough to have experienced Sixties fashions first-hand are busy experimenting with them now. The Shrimpton hair-do is back. Debbie Moore has had

her newly straightened tresses cut into a Shrimpton look-alike and feels much more up-to-date than she did with her curly locks.

The basis of any good haircut, though, must be condition and many of the best-known saloons have produced their own excellent ranges of shampoos and conditioners, gels and mousses (Daniel Galvin's Avocado Wax, Vidal Sassoon's Protein Pack, or John Freida's excellent range of shampoos and other styling out for).

If your hair is more seriously damaged, probably because of tinting, perming or both, then you need professional help. Schumi of 16, Pont St, London, SW1, has started a special consultation service to deal with what Gregor Schumi calls "disasters." You will need to make an appointment—the service is available from Monday to Friday from 10 to 11 am.

Those with long hair should remember that Harrods runs a special Long Hair Clinic. Its special conditioning treatment costs about £30 but it also offers all sorts of other advice.



AS SOMEONE who spent most of her childhood longing to have curls just like my best friend, I find it hard to believe that there are people blessed from birth with natural gentle curls who can't wait to go straight. But there are. Lots of them, according to Andrew Lockyer, who runs his salon at 63 Paddington Street, London W1 and has developed his patent templates which are used to turn all those kinks and bends into smooth, straight locks, as in the picture above.

The process is much the same as the one used to turn all those straight-haired lovelies into curly-headed moppets—what is new is the template which is almost like a rigid mould onto which the strands are flattened. Andrew Lockyer is busy patenting the new templates all over the world—apparently they are a wow in Japan which seems peculiar in the light of the wondrously thick straight hair that seems to come along with the Japanese gene. He has added a few extra potions of his own to ensure least damage of all to the hair and to add a little extra body.

A host of lovelies have already wended their way to Andrew Lockyer's salon, including Debbie Moore, she of Pineapple Studios fame, whom most of us remember as having the most beautiful long blonde curly tresses. Today she is quite transformed—she sports a chic blunt cut, though the hair is still long. She loves it. "I'm very into the Sixties look at the moment and this hair complements the Pineapple clothes perfectly. It's also terribly easy to manage. In the Sixties I used to have to iron my hair to get this look—now I just wash it and leave it to dry. It's also in marvellous condition and hasn't lost its shine or gloss as I feared it might."

The price for the perm varies between £36 and £46, depending on the length of hair and they can cope with almost any degree of curl.



VIDAL SASSOON was one of the first crimpers who managed to make a chain seem chic. Nobody in her right mind going into one of the innumerable Sassoon saloons thought she would be dealt with by the great man himself but she did feel that something of his style, his sense of cut and line, would rub off along the way.

He was one of the first of the new breed of hairdressers to realise that modern women wanted hair that looked like hair—not layers of rigidly set corrugated waves. Today that sounds very tame—then it was a minor revolution, causing almost every salon in the country to rethink its approach.

Today, the emphasis is still on healthy, shining, natural hair, and a good, balanced cut. The Vidal Sassoon range of products was partly developed in answer to the need for products with purer ingredients which did less damage to the hair (and partly, bien sur, to expand the empire, which it did very efficaciously).

Like much of the fashionable world Vidal Sassoon styles for the coming summer tend to have overtones of nostalgia for the Sixties. For men, there are styles slicked and held in place with the new gels—the hair is graduated at the sides and back but the hallmark of the looks are the long top layers. The matinee idol look, see photograph above, is also much in vogue.

For women there is much precision cutting, with the napes of the neck much in evidence and the look is either very short—or very long. To get some of the very precise shapes (like the cut the model wears in the centre picture) the underneath hair has been permed round the head to give extra height and the whole is then cut into this conical shape. The hair is cut very close to the skin around the hairline and then cut in longer layers towards the crown.



ON THE WHOLE, the most fashionable and sought-after saloons are those identified with one (often intolerably bossy and big-headed) star stylist. A visit to these saloons is usually doomed to disappointment—the great man himself is much too busy paying attention to his other starry clients (God's Law of Salons decrees that all other clients are always more important than you are) to pay any attention to your rather wistful remarks about how nice it would be if he didn't cut it too short.

For those who don't feel up to the task of capturing the frail attention of one of these prima donnas, it is probably best to go to a really reliable chain like Glemby. It doesn't aim for any heady pyrotechnics or promote any one stylist (though clients, of course, do get to know and seek out a sympathetic hand) but it does have a consistent standard of modern, fashionable work, carried out in the sort of soothing, unpretentious atmosphere one seeks from a hairdresser.

It achieves this consistency by putting together a portfolio of current looks—they aren't rigid and they aren't imposed against a client's will but they do give an overall direction which is helpful both to the stylist and to the customer seeking guidance.

This spring, Glemby is homing in on "face-framing styles with lots of volume and fullness, but decidedly longer." (This, of course, leaves those of us who have just been shorn a little high and dry but 'twas ever thus.) It is a pretty and wearable look, with lots of airy wisps around the face. Fringes, you will be interested to learn, are essential—chopped into and deliberately jagged, ending at the eyebrow or shorter.

To make the cut look really contemporary it is blow-dried forward onto the face in a sweeping movement, giving the impression of lots of thick hair. There are some 80 Glemby saloons throughout the country.



ATLAS Associates, in a quiet and unpushy way, has gradually become one of the most sought-after places for a man to have a hair-cut. Newly transplanted from its premises underneath Scott Croila in Dover Street to the basement of the new Comme Des Garcons shop at 115 Fulham Road, it believes in giving its customers a sound, pleasing basic haircut that will suit their life-style and not make any loud fashion statements. Those who are wedded to Geo F. Trumper will not find it up their street—not so much because of the cutting (which as I have indicated is extremely unaggressive) but because of its very avant-garde setting, all Japanese minimalist architecture and interior fittings. However, if a really becoming cut is what you're after then you could hardly do better than one of its eminently agreeable and skilful stylists. A typical cut is photographed above.

MANY of the choicest heads I know are currently heading for Edmonds at 40 Beauchamp Place, London SW3. Paul and Liz Edmonds, who used to work for Daniel Galvin and Neville Daniel, run it on fashionably unisex lines and they cut and colour both men's and women's hair. Colour, as you might expect from a Daniel Galvin-trained staff, is a strong interest and they offer the usual highlights as well as a range of vegetable dyes (orangey colours as well as burgundy colourings for redheads are, they report, very much in demand). Vegetable dyes don't last as long as bleaches and harsher dyes (some six to eight weeks) but they are infinitely gentler on the hair and do not rob it of its shine.

Paul, too, offers two major looks this summer—longer hair that is straight, sleek and impeccably cut or short and very boyish. Fringes are full and heavy.

## Cookery

# Savour of fruitful partnerships

MEATS are often cooked and served with flavoured oils which the animal itself has fed during its lifetime. For example, salt marsh lamb is sometimes accompanied by a dish of laverbread, while mountain lamb is traditionally cooked with a little garlic and mint—herbs that grow wild on hilly grazing pastures.

The idea of serving venison with rowanberries, now as popular with Sassenachs as with Scots, clearly stems from the Highlands, where mountain ash or rowanberry thrive and the deer always seem to strip low-level branches of fruit and leaves with the systematic greed of high-powered hedge trimmers.

The notion of serving pork with apples probably began in the West Country, where pigs traditionally rooted in grey orchards in autumn and grew fat and sweet on windfall fruit. Combinations of meat and fruit as good as pork and apples or venison and rowanberry have travelled way beyond the localities in which they started, to become national or even international favourites.

With time, perhaps the origins of such fruitful associations become blurred or lost. Did the delicious combination of duck with something to do originally have grazing in citrus with the birds? And could groves, I wonder? And could ducks with morellos stem from some time and place where ducks spent happy days wadd-

ling round cherry orchards? The partnerships of meats and fruits used in the recipes that follow come, so far as I am aware, from my own imagination—but perhaps they are based on some folk memory of local grazing practices of the past.

### VEAL WITH GRAPES

This is a delicate and delicious dish when made with best-quality skin of veal. Peel the grapes for perfection, or simply halve and pit them. Serves 6.

6 x 2 inch thick slices of skin of veal; 1 oz unsalted butter; 1 teaspoon each ground cinnamon, coriander and allspice; scant 1 pt white grape juice plus 1 pt table-spoons white wine vinegar; 1 chicken stock cube; 2 lb green grapes.

Choose a sauté pan or flameproof casserole that has a well-fitting lid and has a large enough surface area to take the slices of meat in a single layer.

Le Creuset's buffet casserole is ideal. Heat it. Add the butter and, when it is foaming hot, colour the meat all over. Sprinkle on the spices and a

generous grinding of pepper but no salt. Pour on the grape juice and vinegar and cook briskly for 10 minutes or so until the liquid is somewhat reduced.

Crumble the stock cube and stir it in. Reduce heat as low as possible, cover the casserole tightly and leave to cook very gently for about 1 1/2 hours until the veal is well cooked. Turn the slices of meat once during this time.

Uncover the casserole and continue cooking very gently for another 15-20 minutes until the meat is beautifully tender and the cooking liquor is reduced and well flavoured. Season to taste with salt and pepper. Add the grapes. Shake the casserole so the fruit slithers and slides into the liquid in the gaps between the slices of meat. Cover and put the casserole in a low oven for 10 minutes or more before serving so the grapes warm through and soften slightly.

### BRAMBLEY RABBIT

Rabbit is low fat-meat and this is a simple and good way to cook it. I have used English butch rabbit, as sold by Walt-

rose. Packs of shoulder portions are very reasonably priced and a good choice for cooking this way. Boneless leg fillets and back fillets (more costly, of course) are also available and could also be used. Serves 4-6.

1 rabbit, jointed, or about 1 1/2 lb selected rabbit joints; 1 onion; 1 very large Bramley apple; 1 pt unsweetened apple juice; thyme or rosemary; salt and freshly ground black pepper.

Choose a flameproof casserole into which the rabbit joints will just fit snugly side by side. Chop the onion very finely and dust the rabbit joints with salt and pepper. Seal and colour the meat and onion, in batches, in 1/2 oz unsalted butter in a very hot frying pan. Transfer the contents of the pan to the casserole and scatter over them the peeled, cored and finely chopped apple.

"Wash out" the frying pan with the apple juice, stirring the pan base with a wooden spoon to scrape up meaty sediment as the liquid comes to the boil. Pour the apple juice into the casserole. Add a sprig of rosemary or thyme, cover and cook

at 300 F (150 C, gas mark 2) until the rabbit is perfectly tender. 1 1/2 hours is about right for hutch rabbit. Wild rabbit may need 2-2 1/2 hours.

Lift out the rabbit, cover and keep hot. Discard the sprig of rosemary and place the casserole over moderate heat. Beat with a balloon whisk so the cooked apple disintegrates completely and dissolves into the liquid. Check and adjust seasoning to taste, then return the rabbit to the casserole for serving. Brown rice goes well with this or a gratin of potatoes (which could be cooked in the oven at the same time) and steamed French beans.

### ORTAL WITH PRUNES

This is a comforting dish for evenings when spring weather lacks the warmth one hopes for. A very useful dish to have stashed away in the freezer. Serves 6-7.

4 lb ortall, cut into 2 inch pieces; 2 onions; 12-18 prunes; sunflower or safflower oil; dry cider and beef stock; mild curry powder or paste; bay, salt and pepper.

Trim as much fat as possible from the ortall. Colour it all

over in a flameproof casserole with a large surface area (Le Creuset's buffet casserole is ideal), that has been barely filmed with oil. Then colour the very finely chopped onions. Stir in 2-1 teaspoon mild curry powder or paste, pour on 3 pt dry cider and 1 pt beef stock and bring to the boil stirring. Return all the meat to the casserole and cook at a fast simmer for about 10 min, without a lid, until the liquid is somewhat reduced.

Add a large bay leaf, plenty of salt and pepper, cover the casserole and cook in the oven at 275-300F (140-150C) gas mark 1-2 for an hour and a half. Meanwhile soak the prunes in enough cider to cover them. Turn the pieces of meat over, add the drained prunes to the casserole, pushing them well down into the liquid. Cover the casserole again and cook in the oven for a further 1 1/2 hours or until the meat is tender and beginning to come away from the bones.

Cool and chill the casserole overnight, then scrape away and discard the layer of fat that will have solidified on the surface of the liquid.

To serve reheat gently but very thoroughly indeed, check the gravy for seasoning and simmer without a lid until the gravy is reduced to a good consistency. Lots of steamed, boiled or puréed potatoes go well with this dish, and a large crisp watercress salad.

Philippa Davenport

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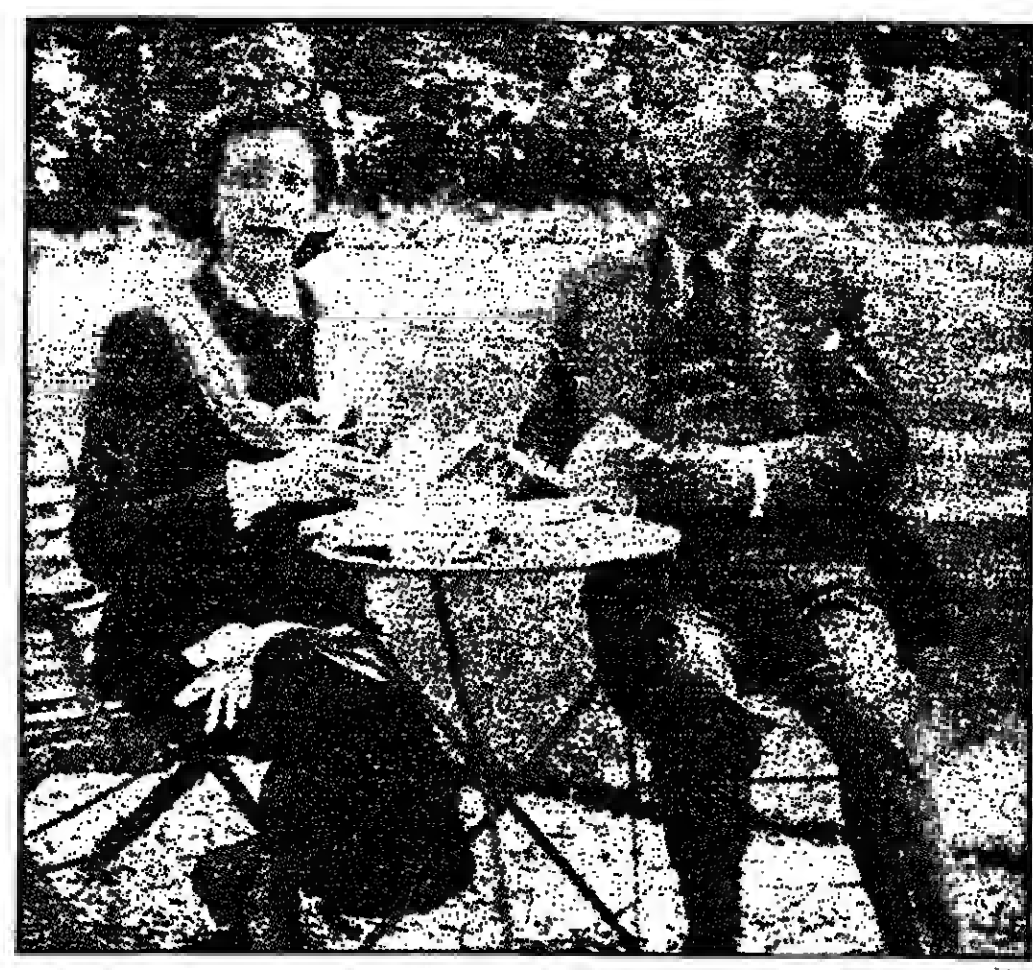


At home in the gilded sphere of Duff Cooper

DUFF COOPER: THE AUTHORISED BIOGRAPHY by John Charmley, Weidenfeld and Nicolson, £12.95, 256 pages

LORD NORWICH, Alfred Duff Cooper who was always known as Duff, cannot be regarded as a major political figure. He was certainly a major womaniser, drinker and gambler. So was his hero Charles James Fox. But Fox not only had the gifts of charm, wit and oratory, he also had ideas, magic, charisma. If he did little in his lifetime he left a posthumous glamour which coloured party politics for years after his death.

as a girl at "mill" in Oldham where Duff first won his way into Parliament. If the author deserves congratulations, so do Duff's widow, the famous Lady Diana, his son, the present Lord Norwich and his nephew and literary executor, Sir Rupert Hart-Davis, who wrote Duff's diary which, one hopes, will some day be published. They have given Mr Charmley complete freedom to examine the papers and tell the story. Duff's father was a fashionable consultant who specialised in bronchial and venereal ailments. He married — "above his station," as people used to say — the youngest daughter of an earl descended from William IV and Mrs Jordan. Duff himself went two up by marrying the youngest daughter of a duke. Their marriage was surely one of the strangest ever to have been documented. She was not greatly interested in sex. He was a sexual athlete and totally promiscuous within the accepted rules — expensive prostitutes and easy-going wives with compliant husbands. His first extra-marital affair occurred on their honeymoon in Venice in 1919. Most wives would have regarded this as a hit much, but Lady Diana put up with it and countless others. She remained as devoted to him as he, in his way, was to her. He had an extraordinary affair with women and in the end got on admirably with his discarded mistresses as well as his wife. The couple had very little money. He had blown his patrimony in gambling, and daughters of dukes were ill provided for. But it was she who made it possible for him to resign from the Foreign Office and enter Parliament, thanks to her earnings in America from her role in Reinhardt's touring production of The Miracle. How large these were Mr Charmley does not, perhaps cannot, say, though he is rightly interested in the subject — "One of the great unexplored areas of



Ambassador in Paris Duff Cooper with the French writer Louise de Vilmorin

twentieth-century politics is how politicians financed their careers." Duff, let us face it, was almost unbelievably selfish. "Where she was eating macaroni cheese and persuading hoteliers to let her have her room free, Duff was dining off oysters and champagne at Buck's or flitting over to Paris for a weekend at the gaming tables and the woobes." Eventually their financial situation improved, but he did not feel comfortable until he secured the very large advance of £10,000 for his Hoig published in 1935-36. It is nothing like as good a hook as his Tuleyford which came out three years earlier and it had had reviews but the money must have been some consolation. He was an elegant writer of prose and verse — as Mr Charmley says, "the only President of White's to have composed a sonnet in an hour on the premises to win a prize in a

in Algiers in 1943, and from September 1944 to the end of 1947 in Paris. It was a sign of his success — and much to their credit — that Attlee and Bevin kept a reported "political" appointee in office for two and a-half years after Churchill's defeat. He died on a sea voyage in 1954. He was under 64 but his mode of life did not conduce to longevity. I liked the author's ending: There are few whose memories reach back to those gilded Edwardian summers to conjure up the young diplomat who hated work and loved play. But when Diana talks of him the years seem to fall away; whatever might be true of old men old ladies do not forget. Robert Blake THIS year's Duff Cooper prize will be presented on Thursday to Ann Thwaite for her biography of Gosse.

Fiction

Cruise ship companions

THE FISHER KING by Anthony Powell, Heinemann, £9.95, 256 pages

IN CASE you have forgotten about the Fisher King here is the entry in Funk and Wagnall's Standard Dictionary of Folklore, Mythology and Legend: Fisher King, in Chretien de Troyes' Perceval and in later Grail stories, the lord of the Grail, the bleeding lance, and the silver plate. Wounded by a spear thrust through his thighs, his only solace was in fishing. He can be healed only through the help of the Grail-seeker and when he is healed the waste land which surrounds his castle will become productive again. Anyone who thought that through writing The Waste Land T. S. Eliot had secured a permanent English language copyright to the legend of the fisher king is in for a shock. Anthony Powell has moved in, stolen the precious legend and put it in his pocket. In his version the reader has to step aboard the good ship Alecto. Named after one of the furies she is set fair for a cruise around the shores of Britain to stop at places like Hadrian's Wall and the megalithic stone sites on Orkney. The fisher king is on the passenger list. In other words, you have a great deal of to-ing and fro-ing among a small group of people, effectively cut off from the outside world, stimulated by daily visits to places of immemorial antiquity. Some of these people have known each other before, professionally or socially; others are meeting for the first time. Where better for Powell to work through one of those slow-paced pavenes during which the dancers change partners as allegiances are threatened or wholly undermined? The mood, unvaryingly, is molto adagio; the unfolding patterns intricate and un-



Powell — detail from a sketch by Osbert Lancaster

expected; the choreographer always in control. Most of Powell's chosen group are well into middle-age, a retired public servant and his wife; "a Fleet Street notability" (whatever that means), an elderly drunk, an admiral, a highly successful historical novelist (clearly the author's representative), who rather improbably possesses "an innate taste for pin-pointing archetypes." All of them drawn with Powell's eye for personal eccentricity. They stand much in awe of one passenger, Saul Henchman, a brilliant, internationally known but severely disabled magazine photographer. At the outset the novelist passenger dubs the photographer the Fisher King. He was wounded during World War Two (this episode echoes Hemingway rather than Eliot) while crossing the Po in an armoured car, leaving him not only having to rely on crutches, but also sexually impotent. The literary label sticks, or must be made to stick, and from now on the voyage extends across the Jungian ocean of the collective unconscious as well as the seas around these islands. Before the war the mystery writer Denis Wheatley co-

authored a cruise book thriller which came in the form of a dossier with all the clues in little packets which the reader had to examine to form the solution to the crime. I was reminded of that by Powell's do-it-yourself mystery cruise for litterateurs, allusions and quotations abound. One example will suffice. The photographer's mistress, 20 years his junior, is called Barbara Rookwood. A ballet dancer by profession she has given up her career for the sake of her liaison with the photographer; her life is barren in more senses than one. She is the waste land under the fisher king. The point is rummed home by the concealed reference to Scotland under the Macbeths in her often repeated surname ("Light thickens and the cross makes wings to the rocky wood") I hope I have not spoiled your fun. There is plenty more where that came from. Powell is not only a novelist but also a regular reviewer of literary books. His real theme here — has touched on it before in the Music of Time — is the power of impotence. In Henchman — the photographer (more than a touch of Hardy's Henchard, incidentally) he gives us a portrait of a man abused by life, wounded by it, bloody but unbowed, who nonetheless succeeds in preserving his creativity, his manhood, his essence. The small world of shipboard life spotlights that power at work and leaving its mark upon other lives. The sea sometimes biting rough water has irradie understated humour that is the Powell hall-mark. Occasionally his indifference to everyday life leads him into small errors like writing camera speed when he means film speed and Natsipon when he means Sogot. But there are none of those false notes when he turns to the inner life, the life of self-possession, and of the possession of others. Anthony Curtis

Big splash in small pond

FREE AGENTS by Max Apple, Faber, £9.95, 197 pages

IN COUNTRY by Bobbie Ann Mason, Chatto & Windus, £9.95, 245 pages

DOGWOOD AFTERNOONS by Kim Chaplin, The Bodley Head, £9.95, 249 pages

THE SOUND OF DISTANT CHEERING by K. M. Peyton, The Bodley Head, £9.95, 224 pages

THE FIRST and most important thing to say about the 20 short stories in Max Apple's Free Agents is that they make one laugh out loud, which is a rare event in a reviewer's life. Not all of them, and not all of the time — he has an offbeat, quirky sense of humour which will not appeal to every taste. But enough of the time to make reviewing him an unexpected pleasure.

assist on a teenage star in return. The author's forte is to take familiar ideas and look at them from unfamiliar angles — and he does it very well. Some of the pieces, it has to be said, are a little difficult to follow, too diffuse to be entirely successful. The author likes to go for the unexpected, the artful non sequitur, the illogical aside. Some of his ideas come off, others do not. But this is only a quibble. On balance he has written an excellent collection of stories, crisp in style, neatly thought out, full of good things to pick out and savour. Bobbie Ann Mason's In Country is also about America; a Vietnam novel of a sort though not obviously so. Seventeen-year-old Samantha Hughes is a victim of the fighting, her father having been killed in action before she was born. She grows up in Kentucky, long after the war is over, knowing nothing about it other than what she can glean from her veteran uncle, from television showings of MASH, and from the diary his father kept "in country." The death of Colonel Blake on television is more real to her than that of her own father. She is a small town girl, an all-American kid, who watches an awful lot of television and sums an awful lot of junk food — too much actually, the book suffers from a surfeit of repellent gastronomy. Nicely played, as Vietnam novels go, no bitterness, no polemic, just a calm assessment of the situation from the standpoint of an ordinary teenager in the 1980s. Country rambles a bit from time to time, but we can forgive the author that in a first novel. She handles the big scenes well, and has already won a Hemingway prize for her earlier work, Shiloh and Other Stories. Dogwood Afternoons by Kim Chaplin is a more or less routine

novel about stock-car racing, American again, but written in a racy, hard-boiled prose ideally suited to its subject. The author is a professional sports journalist, and it shows. Give or take the occasional "there" or "treaded" he adopts a feisty, high-tech approach which the average Englishman can only admire, even if he sometimes finds himself catching his brow in search of the meaning. The best Americans nowadays often write in a language which the rest of us only half understand. Take this, for example: At the Astrodome, Nolan Ryan is shaving the corners. He's going through the Giants in order. The radio announcer is not even mentioning that by the sixth the Giants haven't had a hit. The big moment on the scoreboard: Nolan passes the 3000 mark and is now the all-time strikeout king. He's almost as old as I am and he still throws nothing but smoke. In fact the quotation is from Max Apple but would serve just as well for Chaplin. They are both of them privy to an argot that outsiders can't marvel at. K. M. Peyton writes in English thank goodness. She is an English girl. The Sound of Distant Cheering is a novel for adults, though she has devoted most of her career to books for older children. It deals with the trials and tribulations of a down-trodden racing stable, one trainer, two women of different classes after him, a bed-ridden kid, but who keep her hands firmly on the money. The style inclines towards pony clubs and women's magazines, but it is nice enough for all that, although a hard-boiled sports journalist might consider the ending enormously soppy. Nicholas Best

Hindsight applied to opticians' company

EYES RIGHT: THE STORY OF DOLLOND & AITCHISON 1750-1985 By Hugh Barry-King, Quiller Press £12.95, 264 pages

THIS entrepreneurial success story of the well-known spectacle firm, which started with an immigrant Huguenot weaver in 1750 and finished up with the huge multinational conglomerate of today, must command respect. In human terms, the achievement may be less reassuring, as we proceed from the inspired amateur, testing his crude lenses by candlelight through increasingly tough but less talented successors, until, by hard-earned tactics and mergers, a third of our spectacle prescribing and purchases are today controlled by an American tobacco company. But the story has much of interest, even in its later accounts of wheeling and dealing, and of spectacle monopolies. It is agreeably written, lively and without excessive piety, by an experienced hand at such commissioned tributes. The first spectacle lenses,

according to Pliny, were produced by the Phoenicians, from the fused glass found under their cooking pots, which had been supported by nitron and, by the middle-ages, there was a fairly regular supply of simple magnifying lenses to assist near-vision in the ageing. In 1465 the first of the spectacle-makers guilds was set up to carry the trade. After 1600 the lined spectacles, which also carried some concave lenses to help the shortsighted; and in 1690 such a lens had been yoked to a convex lens to produce Zacharias Jansen's first telescope. This excited the interest of the young John Dollond. His parents had brought him, along with other weavers from Norwich, and settled in Spitalfields, their name suggesting an earlier migration from Holland (d'Hollande). The weaving prospered, so John was able to indulge his hobby of experimenting in optical glasses, and in 1780 he joined his son Peter in a spectacle shop which they produced the first of their "divided glass micrometers,"

with which Captain Cook voyaged to Australia in 1769, enabling him to watch the transit of Venus over the sun, and thereby to calculate our distance from it. John Dollond then tried using lenses of different density to neutralise the "chromatic aberration" which restricted the value of his new telescopes, and promptly patented the successful lens combinations. Their widespread use in sextants brought even greater prosperity, with a Fellowship of the Royal Society, and the family firm continued to thrive until it was sold by his great-grandson, in 1871. In 1889 a rival firm had started in Fleet Street under the enterprising James Aitchison, who, by vigorously advertising the "curative effect" of his spectacles, was capturing the market, publishing his best-selling book in 1890 on Evesight Preserved. Dollonds had responded in vain with goggles, designed to promote high-speed riding in horses, but by 1919 were reduced to mail-order sales, and had to extend their wares to gramophones (they marketed records under the label "Laidgats") and even paralyzers; and by 1927 they were finally taken over by Aitchisons.

In the succeeding years more and more competitors were absorbed, and Irvine Aitchison, the founder's son, had a board of lenses ready to satisfy the huge demand for free NHS spectacles in 1946. The £1 charge imposed to stem the consequent drain on the exchequer was counted "a holy howl" to the trade, and Aitchison continued the attack when the Crook Committee, and the succeeding 1958 Opticians Act, curbed his exuberant advertising. However, included in this act, was a provision that more than compensated for his loss of advertising — a monopoly for the trade not only in dispensing glasses, but in the sight-test, without which no glasses could be prescribed (this was slipped into the 1958 bill, on the false grounds that wrong glasses could damage eyes). Even the ban on advertising worked to the opticians' advantage, in that by precluding competitive pricing, the (quite arbitrary) cost of non-NHS spectacles steadily rose. At this the tide of public complaint, that opticians were prescribing too often and charging too much, became too widespread to ignore. Two "Price Commissions" (1976

and 1979) added their criticism, but in vain. In 1980 a parliamentary motion to permit the sale of reading glasses "over-the-counter" (as happens in all but a few other countries) was withdrawn only when the matter was referred to the Office of Fair Trading, who reported that the prices charged for private spectacles were indeed excessive, and called for freer competition with a lifting of the ban on advertising. As a sequel to the OFT's adverse report, the government broke the first monopoly, on spectacle sales (after a passionate rear-guard action by the optical bodies). The campaign to curb the second monopoly and free the sale of reading glasses continues unabated, and there is hope that this monopoly may finally yield to the European Court later this year. In 1964 D & A was sold to Welsh Television, then in 1983 to Slater Walker and finally in 1970 was bought entirely by Galacher Ltd for £10m. Meanwhile their sales continued to thrive, with a steady backing of over a million sight-tests a year — further enhanced in 1981 by the purchase of Theodore Hamblin, our most prestigious spectacle firm, for £4.5m. Patrick Trevor-Roper

BOOKS OF THE MONTH

- Announcements below are prepaid advertisements. If you require entry in the forthcoming panels, application should be made to the Advertisement Department, Bracken House, 10 Cannon Street, EC4P 4BY. Telephone 01-248 8000 ext 4064. Order and payment for books should be sent to the publishers and not to the Financial Times. Structural adjustment in Japan, 1970-82 by H. P. Dora with contributions by K. Teira. International Labour Office 95/98 Marsham Street London SW1P 4LY. ISBN 92-2-100296-0 £10.00. Studies Japan's major force in high technology industries (apart from aerospace) and its successful ability as a producer and exporter with apparent minimum friction and unemployment. International Labour Office 95/98 Marsham Street London SW1P 4LY. ISBN 92-2-100296-0 £10.00. After the Famine A programme of action to strengthen survival strategies of affected population. A report following a Sudanese mission, giving a programme of action based on a realistic approach which aims to increase resources available at national level and restore the population resource balance at regional level. International Labour Office 95/98 Marsham Street London SW1P 4LY. ISBN 92-2-100401-2 £10.00. Annotated Bibliography on Working Time Focuses on reducing working time, effects on employment and part-

Land of the Red Dragon

THE OXFORD COMPANION TO THE LITERATURE OF WALES compiled and edited by Meic Stephens, Oxford University Press. £17.50, 882 pages

THE CORPORATE consciousness of the Welsh tends to flamboyance. When I was at a Scottish university, and my willow countrymen invaded for Murrayfield, it was like the arrival of the players in Hamlet, or of the Crambles troupe in Nicholas Nickleby. It is this sensation of a bustling nation which Meic Stephens's Oxford Companion enshrines. Garlanded with daffodils, leeks, love-spoons and harps; riding in coracles (first described in 1188).

Stephens' book also claims as Celts, among others: Matthew Arnold, Beau Nash ("who mysteriously contrived to live a gay life in small means"), Thomas Love Peacock, Livingstone's Stanley, Christopher Smart, Mrs Siddons (born in a Brecknock pub and Iron Novell (born David Davies). Yet some Welshmen are not as Welsh as they look. Edward Thomas's idea of the country was hazy. David Jones, the village eccentric of In Parenthesis, was born in Kent, educated in Camberwell — and lived in Notting Hill. It is not all illustrious theatricality, however. Welsh swabs are located amidst much sand. There are, for example, several dozen Lewises. Most of my namesakes were clergy who wrote long-forgotten moral pamphlets. Thomas Lewis (1759-1842) "is renowned as the author of one hymn." Hundreds of Davises, Evanses, Morgans and Joneses are similarly exalted. I have a feeling that Stephens wants to include all west of Chestport Bridge who ever wielded a quill; he even, a hit cheekily, includes an entry on himself. Roger Lewis

JANE RUSSELL: AN AUTOBIOGRAPHY Slidgwick and Jackson £9.95, 341 pages

THE FILM career of the legendary Jane Russell was patchy and she only felt proud of four of her pictures, she tells us. The publicity stills from The Outlaws may have put the hay back into the Hayes Code, but she describes her acting in it as "awful." Her private life was equally chequered. For 25 stormy years she was married to American quarterback Robert Waterfield. Both had affairs and nearly separated more than once before divorcing. Valery McConnell

CRIME

LIVE FLESH by Ruth Rendell, Hutchinson £9.95, 272 pages

AMONG Ruth Rendell's many gifts her sense of visual taste is particularly impressive. She can describe a place — whether a squalid rooming house, a pretentious mock-Elizabethan villa, or a middle-middle class block — not only with unerring accuracy, but also with a keen sense of the personality of those rooms and corridors and gardens.

In Live Flesh the settings are important; they define the inhabitants' characters. The protagonist here is another of Mrs Rendell's psychopaths, perhaps the most interesting, complete, and — such is the author's mastery — sympathetic that she has created. Though, in the course of the story, crimes are committed, they are not what matters most. The suspense lies in the complex, usually unpredictable, always convincing relationship between Victor, the criminal, and the outside world, especially a young couple whose lives he enters and disrupts. In every way, a remarkable achievement. William Weaver

Essential Canadian history — a great adventure story — Mordecai Richler PETER C. NEWMAN Company of Adventurers The Story of the Hudson's Bay Company 1660 to 1790 Conny, vivid, appreciative and critically astute. Washington Post Book World £14.95



ARTS

The South Bank

Picking up the GLC's baton

EAST MONDAY, amid a hubbub of goodbyes and farewells, the Greater London Council relinquished ownership and control of London's principal complex of concert halls on the South Bank, handing over the keys the following day to its new owner and successor, a new committee, formally constituted as part of the Arts Council, called the South Bank Board.



Nicholas Snowman: ambitious plans for Europe's leading complex of musical venues

Since October last year, when the new board gave its first press conference at its temporary offices in Pudding Lane, everyone involved with musical life in London has pondered the significance of the change. What and who is the South Bank Board? What will its policy be? What changes, if any, are London concert-goers likely to hear?

It is certainly the case that when the membership of the new Board was announced, the details were greeted with some cynicism. On paper at least, the list of appointments was a little surprising: a heterogeneous assortment of 12 dignitaries drawn from the world of arts and business and a handful of more familiar (if not necessarily more reassuring) musical names such as Lorin Maazel, Jessye Norman and Andrew Lloyd Webber.

The doubt most frequently voiced was whether such a group—even assembled under the experienced executive chairmanship of Ronald Grierson (vice-chairman of GEC, and chairman for 15 years of the Philharmonia Trust)—could ever provide the focus and the expertise, and more important, whether it could actually spare the time necessary to guide and direct effectively Europe's most important complex of musical venues.

Some of the doubts have proved to be unfounded—for the new board itself is essentially not a managerial board, nor was ever intended to be, and in practice its functions will always be more advisory than executive. The real executive roles will be performed by two joint general directors of the South Bank Centre concerned respectively with administration and artistic direction, and by an elaborate new staff structure which they head.

The new post of General Director Administration has been taken by Richard Pulford, who is the former Deputy Secretary-General of the Arts Council, and the post of General Director Arts is taken by Nicholas Snowman—who comes directly from Pierre Boulez's IRCAM in Paris, where he has been Artistic Director since 1972.

When I talked with Nicholas Snowman recently he was at pains from the start to emphasise how much the new SBB owes to the achievements and commitment of the GLC.

"It is important to remember that what we are doing is not merely continuing the good work of the GLC but also improving upon it, and replacing their somewhat ad hoc administrative structure with a brand new and properly worked out structure—which the South Bank has never had before.

"These are the main changes on the South Bank that we shall be attempting to make, starting with the Festival Hall—it's quite simple: we want to introduce the idea of a season. In 1988-89 there will be a real, planned season for the first time—orchestras all have their current dates booked until then. The system at the moment is that the orchestras are entirely the slaves of their various conductors and soloists. So they essentially book the halls according to the dates they are available for their conductors and soloists, and worry about filling in such minor details as programmes later. And the programmes which are then eventually filled in are largely dictated by what each great virtuoso happens to be playing elsewhere that week in Berlin, or Paris or somewhere—or alternatively on what recording contract each conductor happens to have up his sleeve.

"What we are trying very hard to do for 1988-89 is to give out no dates at all. Under the new system, priority will be given to new themes, cycles, to things which actually interest us on the South Bank—that means a positive, discriminatory point of view. What we like will get the best dates.

"One of our biggest projects for the 1988-89 season is a Brahms-Schoenberg Festival. It involves orchestras from all over Europe: a touring section with festivals in Vienna, Berlin and Paris—and in London on the South Bank. This scheme means that each city does its own thing in its own way—and we want to do it in a big way.

"Then I do to do a major Bartok affair with George Soli, presenting all of the orchestral music. And I am trying with the idea of a 'Beethoven Plus' series. Perhaps that's a bad title, but the idea is that at the same time as presenting all the familiar mainstream Beethoven works, we would also explore the lesser-known Beethoven—'The Mount of Olives', for example—and just as important, some of the quantity of remarkable music written by Beethoven's contemporaries, Cherubini, Hummel, Becha.

Event. What we're moving towards is the idea of a grand contemporary event which will embrace not only the South Bank but also the Hayward Gallery and the National Film Theatre and will present all manner of contemporary music, concerts, organised around a group of important figures (in 1988, probably Stockhausen, Messiaen and Steve Reich).

"There are also great possibilities in the idea of establishing much closer contacts with other major European festivals. It's ridiculous that when you have an important new work premiered at one of the festivals, ready rehearsed and ready to go, as often as not it's then just dropped, or taken on tour around continental Europe maybe, but rarely to London.

"At the end of the 1988/89 season, probably in the summer of 1989, we are also flirting with the idea of a big Anglo-French festival: it would set out to trace the developments between the two countries: a big historical affair, like the 'Exposition Paris-Moscou' in the best Centre Pompidou tradition, combining exhibitions, audio-visuals, wine-tastings, literature, concerts and recitals, plays, films."

Did Snowman feel confident about financing so many ambitious projects?

"Well, most of these schemes, of course, as regards the British part, will require much closer collaboration than has previously existed between the South Bank and the participating orchestras and ensembles. We hope in many instances to lend our own framework and patronage to the sort of event that would have happened anyway, so that existing funding is used to its best effect.

"Sponsorship is going to be necessary for many things. The Brahms-Schoenberg Festival, for example, is obviously going to need major sponsorship, and that is being actively sought at the moment by the four cities, Berlin, Vienna, Paris and London. That's very much a European affair.

"In all of these schemes we

also want to signal a major shift of attention from the Festival Hall to the other two halls. The fact they are usually called 'the other halls' is significant, I hope, when we have got into our stride, that they will no longer be called 'other' but will have distinctive personalities of their own. And another major project that we will also be trying to get under way will be to build into the South Bank at long last the electronic production studios which London so badly needs.

"Above all, the Elizabeth Hall and the Purcell Room will change their character. We are investigating the idea that the Elizabeth Hall in particular would become a music-theatre platform. I hate the phrase 'music-theatre', but I can think of a better one: call it 'opera without the 18th century' perhaps. The Elizabeth Hall, it seems to me, with a few not very expensive physical changes, could become a hall where it would be possible to mount performance of Monteverdi or Britten—in addition to the recitals and chamber concerts which it has always held.

"In the Purcell Room I would like to try and build up the sort of young, experimental, fringe audience that now frequents the Almeida and the ICA—a cabaret sort of place that could also become an important forum of avant-garde experiment, and include much else, jazz concerts too, why not? And I would like to maintain the important 'debut recital' aspect.

"Our job will be to coordinate and to bring these elements together, but I must repeat that it is not my job in any sense to function as an artistic director. I may have ideas and I will put them on the table, but with no more authority than anyone else. The South Bank in this sense is a facility, not an authority; and it's important people realise this in view of my past role at IRCAM. The two jobs are very different."

Dominic Gill

JAMES AGATE was the bolterous, obsessive, infatigable and thumpingly readable dramatic critic of The Sunday Times for 25 years until his death in 1947 when he was succeeded by Harold Hobson. James Harding's 'Agate' (Methuen, £12.95) is the first biography of a man whose autobiography—the nine volumes of 'Ego'—is one of the most important, revealing and downright entertaining documents of this century. Professor Harding fillets the Agate and adds details of Agate's early life as a cotton merchant, Lambeth shop-keeper and cub reporter on the Manchester Guardian in the days of Scott, Curdus and C. E. Mootegue.

Second-hand theatre books are a hobby of mine and a modest collection received an unexpected boost last year when a neighbour, a retired theatrical dresser, asked me to help him clear out the flat of a recently deceased 'Uncle George.' Uncle George was George Felton Mathew, one of Agate's closest friends and some fine Country Life journal. Mathew, to whom Dr Harding's book is dedicated, was strict monitor and editorial ally in Agate's tumultuously productive journalistic output (estimated by Agate himself at more than 100 words) one of his closest: secretarial minions.

I have taken charge of Mathew's Agate library—many call-bound first editions and second impressions, many personally dedicated by Mathew to the foremost, or the least, annotated by Agate and Mathew, most of the errata in Agate's own diminutive but always legible ink screw. In respect of this haul, I regard myself as temporary custodian of the collection is probably safer with me than with Dr Streng and his vulnerable harassment offices at the V & A.

All drama critics recognise the merits and weaknesses of Agate's career. He was, first and foremost, a peerless historian of great acting, having seen and enthused about Réjane, Irving, Marie Tempest and Bernard. Like Tynan, who succeeded him as a vivid chronicler of thespian art, Agate barged his way backstage as consort and hobo with the stars.

He was a performer himself, a recognisable personality in a loud-checked overcoat, monocle,

James Agate

Vain, glorious ego



James Agate

hard black hat and silver-topped cane. Once he hit London in his 40s he made up for lost time, as Harding says, by marking out a small domain and ruling it ruthlessly: Shaftesbury Avenue, the Savage Club and a night in the male brothel frequented by Marcel Proust.

He made a great noise in print and on radio. At his peak, in 1935, he claimed to have seen that year between 100 and 150 plays, 50 films, to have glanced at 300 books, to have 'more or less' read 200 and to have written over half a million words, 100,000 of them for the Sunday Times and a similar amount for 'Ego' (on which he lavished four hours a day over 15 years).

The stamina and scale of his performances as a journalist are staggering. But an avowed foe of the press, he was done for him by his loyal and finally discarded amanuensis and protégé Alan 'Jock' Dent. And many of his book reviews in the Daily Express, printed amid capering, bald and dwarfish litanies of the critic, were written by Mathew, or Dent, or, in later years, the courteous, ill-mannered, failed concert pianist Leo Pavia whom Agate picked up in a Victoria pub in 1923 and tolerated right to the end.

Although he was the highest paid journalist of his day, Agate spent much of his time on the run from creditors and landlords. He settled for longest periods in his 'Villa Volpone' in Swiss Cottage and, in the last years, in a mansion flat in Greave Street. He would surface from an uneven sleep at 10 or 11 in the morning and begin dictating to 'Jock' or whoever straightaway. At about 2pm he would charge off for lunch at the Ivy, sloshing down a pint of Bollinger with lobster and half a pheasant. In the afternoon he would 'read' four books and write a 1,200 word article. He would then stalk off to the theatre, probably leave before the end, dine at the Café

incidentally, on the next shortest, Walter de la Mare's 'Am I a Camera?'—'Me no Leica'), as well as the more anonymous scolders. Gruff and demanding of character, there is plenty of evidence that Agate was consistently generous and thoughtful. My neighbour, for instance, was often whisked down to whichever cottage Agate might be renting at Thorpe Bay or Brighton in order to recuperate from a chest cold.

Professor Harding recounts how Agate nearly lost his job when spied emerging trouserless from a male brothel in the Grosvenor Road. Aod Beverly Nichols threatened to bribe him over his private life after receiving a damning notice in the Sunday Times followed by a generous one in The Country Life (where Agate wrote under the pseudonym of 'George Warrington') for a 1931 play about pacifism.

Fortunately, Agate survived the ruinous potential of such minor peccadilloes, and thank Heaven he did. Just as he measured himself against Hazlitt and Montague, so critics today measure themselves, tentatively and despairingly, against Agate and Tynan. There are no other contenders. Arnold Bennett considered him 'fundamentally unintelligent' but said he seemed to understand acting. This is the point. And a reviewer of Ego in the Times Literary Supplement described him as 'a Philistine with the conscience and equipment of an intellectual.'

Agate himself should be allowed the last word: 'I don't know very much, but what I do know I know better than anybody, and I don't want to argue about it. I know what I think about an actor or an actress and I am not interested in what anybody else thinks. My mind is not a bed to be made and remade.' That kind of superior heating we only hear these days from either Bernard Levin or lesser opinionated bores like George Gale or Derek Jameson. Agate's monstrous ego was, paradoxically, dedicated to the finally selfless task of glorifying an ephemeral art form about which he felt passionately.

Michael Coveney

Video

The fall of man

—and as Captain Kirk trying to keep command of the Stership Enterprise while the studio moguls come in to dismantle the set and the series.

Best of all, here is Belushi running his long-famed 'Samurai Delicatessen': the shop where a request for sliced pastrami on rye can result in a piercing scream and the descent of sword on comestibles, or where a modest query about too much fat in a sandwich can lead straight to hara-kiri.

Live US comedy also comes to video with stage shows featuring Joan Rivers and Gilde Radnor. But live, alas, is not quite the word for either Joan Rivers and Friends Solare Heidi Abramowitz or Gilda Live (both Warners). Rivers is disarmingly unfunny in her all-star Caesar's Palace tribute to her fictional alter ego, the 'remp of the century.' And Gilda Radnor, as she screams through routines on

everything from pop singers to nymphomaniac schoolgirls, must be an acquired taste.

But please keep these comedy tapes coming, video companies. For there are lost gems of American live entertainment. (How about more Saturday Night Live?) And video's big picture quality is less of a hardship in off-the-wall laughter shows than in the pictorially crafted world of feature films.

Eveo here, though, some companies are learning fast. The Video Collection, culling the classics, realises that there is less of an aesthetic loss in black-and-white movies than in colour. So vintage Hollywood films are now rolling off their presses, including The Magnificent Ambersons, Hitchcock's Spellbound and Notorious and Katherine Hepburn and Cary Grant bawling pet leopard trouble in Howard Hawk's glorious comedy Bringing Up Baby. These cassettes are available at

the startling price of £6.99. Riding up fast on the inside track are two other bargain-price companies, Stablecar and Channel 5. The first offers a bevy of Jacques Tall and Roman Polanski films, the second movie classics like Citizen Kane and Fort Apache. Once again £6.99 is the bottom price.

There are, of course, video addicts who do not wish to mainline on yesterday's masterpieces, nor on live mirth from the USA. These one can point squarely in the direction of A View To a Kill (Warners), the latest wide-screen, all-colour Bond romp in which our suave superspy tackles computer sabotage and Grace Jones; Desperately Seeking Susan (Orion) Susan Seidelman's delicious frolic of lost heroines and scampering non-sequiturs, starring Rosanna Arquette and Madonna; and Stephen Frears's My Beautiful Laundrette (Virgin), which was this year's Standard Best Film award, has a sparkling script by Hanif Kureishi and is the witliest film about modern Britain yet produced in modern Britain.

Nigel Andrews

Radio

Desert island bliss

IMAGINE yourself washed up on that infamous desert island, but instead of records you have a year's supply of any one radio programme to keep you company. Which would you most cherish (from the backs of a thousand sheep) for the Domesday scribe to work on.

The importance of Domesday to the Victorians, who romanticised the Anglo-Saxons, is depicted in a magic lantern show featuring anti-Norman slides, while the key role of the Exchequer, the home of Domesday until the 18th century, is graphically depicted.

There are tableaux re-creating life in England in 1086, suggesting that while it was warmer (awash with vineyards), the amount of cultivated land was already 80 per cent of the total in 1914; there are genealogical scrolls promoting the families that trace their blood line back to 1065 and beyond, most notably the Lords Sudeley of Toddington, and the Shirleys of Ettington Park in Warwickshire; who actually own the land they held in 1086; there is a close-up look at Lincoln, tracing its decline and relative rise since Domesday; there is the odd relic.

But because this exhibition is being held at the Public Record Office there is a wealth of documentary evidence from other manuscripts which assert that Domesday was not an isolated census but the culmination of a concerted effort by William and his successors to get to grips with their conquest. County surveys; family surveys; town surveys; the back-up material to Domesday makes this a must for scholars as well as a patriotic excursion for school children.

Antony Thorncroft

Domesday

Norman king in pig shock-horror-drama

DOMESDAY LAST week in Winchester, Domesday this week at the Public Record Office in London. Is there no escape from the world's most famous tax return? It was the native English around 1170, who dubbed what had been known as the King's Book, Domesday, after the Day of Judgement, because its writ touched every acre of their lives. It has dominated English history ever since it was composed nine centuries ago this year, with judges referring to its tablets of parchment as recently as 1960.

The Domesday exhibition at the Public Record Office in Chancery Lane (sponsored by the Daily Telegraph) knocks for six the exhibition at the Great Hall in Winchester (sponsored by the Sunday Times). For a start it has the book itself—rather the Book divided by five.

In an act of great presumption, and to the horror of conservationists, the two Domesday volumes, Great Domesday, which covers most of England, and Little Domesday, which contains the information for Essex, the Suffolk and Norfolk was refined raw data before it was refined down for the definitive account) has been split up and rebound. Great Domesday into two volumes, and Little into three, one for each county.

Perhaps in acknowledgment of this historical rape, the display of the show is not displayed in the planned elaborate Gothic case illustrated in the plain glass. It becomes the least impressive feature of a most entertaining and instructive exhibition, one that might permanently transform the stodgy image of the Public Record Office.

If the actual text is underplayed there are compensatory attractions. For gawpers there are animated figures of King William giving his justification for the great census of his property, and a monk of Peterborough responding with the Anglo-Saxon shock-horror-drama that a King should so demean himself to be concerned with how many pigs there were in his new domain. Although pallid these talking beads, by Living Images, have a considerable impact.

Pigs surface again in another intriguing feature of the exhibition, one that reveals the advances that computer technology has made in recent years in digging hard facts from the 2m words in Domesday. Some of the information just confuses things, like data which suggests that certain counties have lots of swineherds but few pigs, while others are strong on pigs but short on swineherds—obviously the collators were not strictly controlled. But, at the press of a button, the computer can show the spread of alevs—many in the west of England, few in the East; the size of land holdings; or the location of mills.

The computer can even overturn historical research. The Victorian scholar J. H. Round built his reputation on the thesis that Domesday was basically a tax fixing instrument, with the 'geld' (tax) set as an arbitrary imposition. Dr Snows and his computer at Flinders,

University, South Australia, have shown that the level of geld was linked to the prosperity of the manor.

Such scholarly breakthroughs are the raison d'être of the Public Record Office, but they are incidental to this exhibition; it should be visited for its populist images. There are few opportunities these days to see parchment being prepared but a room is set aside for craftsmen to manufacture the raw material (from the backs of a thousand sheep) for the Domesday scribe to work on.

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Antony Thorncroft

EVENINGS ARE FOR ELEGANCE



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SOLUTION to Chess No. 614  
1 NxR, RxR; 2 R-K8! wins by the subtle threat PxR; 3 N-K5 ch, PxR 4 Q-B3 ch, R-R1; 5 QxN mate. The game went 1 RxR; QxR; 2 R-QB1, R-K1! when Black avoids material loss (3 R-Q; R-K8 mate).



SOME OBSERVERS say that Mr Roy Hattersley has had a quiet Budget session. I'm not surprised. I suspect that, like me, he's been suffering from Owl Angst.

The Shadow Chancellor and I have this in common: open our hearts and you will see ingrained inside of them: Sheffield Wednesday.

We shall feel better by five o'clock this afternoon, once Everton have shown how preposterous were any ideas we may have had about reaching the Cup Final. But then, no one who has supported Wednesday for half a century seriously expects them to win today's semi-final. Wednesday's children are not just full of woe; they thrive on everlasting pessimism.

Ours is the "nearly, but not quite" team, and we are sustained by myth, memory and distant twilights.

They aren't a fashionable side, Wednesday, except as gracious hosts for other people's semi-finals: not an Arsenal or a Manchester United or a Liverpool — not even a Preston North End, who at least won the Cup as recently as 1938.

Wednesday haven't won it since May 1935: the year the FT started its 30-share Index, the month Lawrence of Arabia was killed. In a motor-cycle accident, True, they reached the Final in 1966; but just ask the Shadow Chancellor what happened that day. Two goals up with half an hour to go, they surrendered three — their opponents were Everton that day, too, when Mr Hattersley, once the youngest member of Sheffield City Council, was still a newish MP.

A few years earlier, Wednesday had amazed enough pundits to have won the First Division championship in any normal season: except that it was an abnormal season, when Tottenham were out of sight by Christmas and went on to do the double.

Go back a little further, and you find Wednesday flickering between Divisions One and Two no fewer than seven times in 10 years — our beloved nearly-but-not-quite team.

They last won the championship of the First Division in the successive years of 1929 and 1930; and there's a tiny echo of those halcyon days in J. B. Priestley's contemporaneous novel, The Good Companions. On page 490 of my Heinemann early edition, the author has Jess Oakroyd meet "the famous Jack Campbell, now left back and captain of the recently formed Triangie United AFC, and formerly of Glasgow Celtic, Sheffield Wednesday and Braddersford United."

Mr Priestley had divined the Wednesday ability to produce excellent left-backs — Blair, Blenkinsop, Catlin, Swift, Curtis, Meeson. . . . Snadows and spectres from a time when a small boy might see his heroes crossing the street, walking between market stalls, resting elbows on a milk-bar counter. . . . O my Froggit and my Woodhead long ago!

Then there was Derek Dooley, who didn't know his own strength, scored goals from impossible situations (47 times in his first full season) and quickly became a phenomenon. It was too good to last, though. There was a collision during a match at Preston, and a leg had to be amputated. It was my first winter as a reporter on the local paper, and I can still see the street bills: "Dooley—doctors fight to save his life."

Even so, that was the real Wednesday; not the new boys in stripes who, according to a picture of his office, are pinned to the wall above the Shadow Chancellor's Rling cabinet, at Westminster. The past is a safe country.

I have cuttings from that Cup-winning weekend in 1935. The team look like gangsters as they pose on the station in their long overcoats and trilbies. There's a plywood cut-out of the Cup on the front of the train that brings them home. Crowds surround their coach in Fergate, Finstone Street and Barkers Pool.

The FA Cup Love is blind as an Owl



NOBODY CAN complain this National Hunt season. In spite of over 100 race meetings lost in the frost, it was lit up on Boxing Day by Wayward Lad's return to form to win the King George VI Steeplechase for the third time in four years.

Three months later, Dawn Run's triumph over Wayward Lad in the last few hundred yards of the Gold Cup race made this year's Cheltenham Festival a story for good men to teach their sons; to be on the course was wonderful with the Irish literally throwing their hats in the air.

At Antree on Thursday, 48 hours before the Grand National, the great rematch between the two wonder horses took place—four runners. Dawn Run at 9-11 favourite, Wayward Lad at 13-8, with the other two nowhere in the betting. Dawn Run fell at the first fence, Wayward Lad ran second to Beau Ranger, a 40-1 shot, and the bookies developed an instant Caribbean tan.

This is a cautionary tale to bring us to today's Grand National where the theory is that anything can win that can jump Becher's twice. Foinavon, they say, did pretty well to win at 100-1 when nearly everything else fell. And last year's winner, Last Suspect at 50-1, has brought back the Outsider Theory.

It is expected that the bookies will take £25m from the public today. William Hill's expect a special dividend—the first-time punters will be able to watch the race in the company's 900 new-style betting shops with TV and refreshments (non-alcoholic, of course). People who have seen a horse's name on a betting slip a number of times on Gale Warning (50-1).

But it still looks like a National where the First of the First will triumph—most winners have come from the first few horses in the ante-post betting. Out of the first seven, only Door Latch (10-1) and West Tip (8-1) have yet to complete the course.

Hebbo Dandy (18-1), Corbiere winner and Grasscap (20-1) years. Mr Sought, the favourite (8-1), jumped the last fence in front last year only to be pipped at the post.

The Grand National

Finding the first of the favoured few

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Two trainers will be looking for a record—four National winners in a training career—the late Eric Rimell. Tim Foster notched up his three with Well To Do (1972), Ben Nevis (1980) and Last Suspect last year. Today his hopes are on Last Suspect, but he is also running an outsider, Port Askaig.

Angler McCain has got the three more easily—a by-product of wins by Red Rum. Today he saddles Imperial Black (sixth last year) and an outsider, Dandie.

Cricket

Sit back and enjoy it

has gone from our cricket. Fire, aggression, passion, and discipline don't seem to matter any more. The big money is in the limited overs; game and it doesn't produce real Test stars.

Captaincy seems a lost art — one mourns the great Yorkshire sides under the two Brans, Sellers and Close, Warwickshire under Bob Wyatt, Surrey under Stuart Surridge. Nowadays, a captain who can run his team with a Sellers-type discipline would probably be faced with a mass walk-out.

The recent Charlis Palmer report on the future of the English game was a collection of cliché. It bemoaned the lack of discipline standard; bawlers; the disappearance of disciplined batsmen able to graft long and hard against a West Indies-type attack; and the decline in "icketkeeping". But it didn't give many convincing proposals for improvement — which is not surprising, since cricket isn't a round round a conference table.

So, I don't think we can expect much of a rapid improvement. The best thing to do is to lock up our patriotism in the club cupboard and enjoy the glorious cricket played by the West Indies when they next visit us.

It will be an interesting summer though. We shall entertain New Zealand, fresh from their triumph against Australia. If they are as good as they seem, there may be more obituaries written on English cricket.

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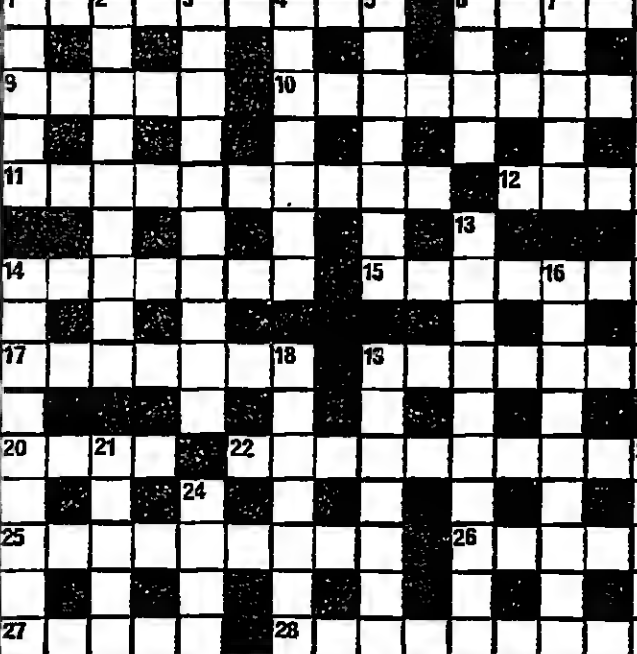
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F.T. CROSSWORD PUZZLE No. 5,989

GRIFFIN



Prizes of £10 each for the first five correct solutions opened. Solutions to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4P 4BY. Solution next Saturday.

- ACROSS
1 Delivered too early (9)
2 Most move piano to platform used by speakers (5)
9 It's true; Mr French is behind that field (5)
10 In Poe's version, time for spying (9)
11 Small amount of stuff in pipe (10)
12 After 34 days on the outskirts of Liverpool it's advisable! (4)
14 A few words to say about someone who's late (7)
15 Tempted to put one in s decent assortment (7)
17 Person with frilly lace cuff (7)
19 This morning the girl is to go round the island (7)
20 Runs through Calro with nothing on, sweetheart! (4)
22 Betrayed through milling around in the fortress (10)
25 Covering reverse on a car (9)
26 It swallows dinner noiselessly, being lazy (5)
27 Scored a boundary to get 500 (5)
28 The redhead the chaps carried outside is distressed (9)
DOWN
1 Shares piano with star's replacement (5)
2 Issuing "The Mysterious A-Team" in a back number (9)
3 Made incorrectly. It can't turn into entrance (10)
4 Discover a Parisian with heart trouble (7)
5 Cost of putting swans in a river (7)
6 Observe drunkard swallowing apple core (4)
7 America, for example, backs employment (5)
8 Prevents a number being included in the introductions (9)
13 Deposit on floor of P.O.W. camp, an unusual item (10)
14 In the meal then prepared, many get cheese (9)
16 Continued to accept politician with unique constituent (9)
18 Len, no learner, drove in the races as a competitor (7)
19 Pocket game (7)
21 Brought back a pound can of tongue (5)
23 The theologian had some food brought in, being old-fashioned (5)
24 Dropped man a key to the front door (4)
Solution to Puzzle No. 5,988

SATURDAY

† Indicates programme in black and white

BBC 1
8.20 am Walt Till Your Feet: Gena Horne, 8.35 Britannia, 9.00 Saturday Supertones, 12.15-5.05 pm Grandstand, featuring 3.20 The Grand National plus 2.00 (Cannon Morgan Antares Chess) and 2.30 (Sunderland Antares Nurdle); Football Focus at 12.30, half-times at 3.45 and 4.40 Final Score; Cricket: Fourth Test, West Indies v England; Irish Rally at 4.05.
5.05 News, 5.15 Regional Programmes, 5.20 The Muppet Show, 5.30 News at 11, 5.30 The Outies of Hazard, 7.05 Every Second Counts, 7.40 The Little and Large Show, 8.15 The Collectors, 8.05 Cagney and Lacey, 8.50 News and Sport, 10.05 Match of the Day Special, 11.10 Film: "Trinity is Spill My Name."

BBC 2
11.55 pm Film: "The Man." (Marlon Brando's film debut), 8.15 Film: "The Tachouse of the August Moon," starring Marion Brando, 5.15 The Paper Chase, 6.05 Karen Alston in Africa, 6.30 Newsweek, 7.40 Post Black 80, 8.20 Film: "Islands in the Stream" (George C. Scott stars), 10.05 Film: "Counting Stars" (with English subtitle), 11.20-12.00 Jazz 805; The Welsh Band, is joined by Nancy "Red" Allan.
LONDON
8.55 am TV-am Breakfast Programme, 9.25 News, 10.15-11.00 News, 11.30 News, 12.00 News, 12.05 pm Sport and Greaves, 12.30 Wrestling.

SOLUTION AND WINNERS OF PUZZLE NO. 5,984
Dr A. J. Boakes, Surbiton, Surrey.
Mrs Joan Mahood, Bangor, Northern Ireland.
Mr Timothy S. Moore, London NW3.
Mr H. A. Riddings, Sutton Coldfield, West Midlands.
Mr P. A. Tilley, Solihull, West Midlands.

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1.20 Athletics, 2.15 "Airport" starring Burt Lancaster, Dean Martin, Jean Seberg and Jacqueline Bisset, 4.45 Results Service, 5.00 News, 5.05 Connections, 5.35 Robin of Sherwood, 6.30 Child's Play, 7.30 Bobby Davro on the Box, 7.30 The Comedy Show, 8.00 The Comedy Show, 9.15 CATS Eyes, 10.15 News and Sport, 10.30 The Late Clive James, 11.15 LWT Tales of Karry, 7.00 News Summary followed by Seven Days, 7.30 The Perfect Lady, 8.30 Hold in Trust, 8.00 Royalty, 10.00 Hill Street Blues, 11.00 The Muppet Show, 11.20 am "The Mummy's Ghost" starring Lon Chaney.
SAC WALES
11.35 pm Feature Film: "Old Heidelberg" (Ramon Novarro stars with Norma Shearer), 8.40 The Selfie With Music, 8.50 Royal Ballet, 10.00 Morning Mix, 7.00 Newsworld, 7.30 Newsworld, 7.45 Stunna, 8.15 News Night Beach, 8.50 Y mae chi, 10.05 Sinfonia, 10.05 Sinfonia Film: "Georgy Girl" starring Lynn Redgrave.
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